

HELP ?

**Will the real Edgar please stand up?***Wall Street & Technology*, New York, Dec 1995; Barney, Lee;**Duns:**00-169-7721**Volume:** 13**Issue:** 13**Start Page:** 29**ISSN:** 1060989X**Subject Terms:** World Wide Web  
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**Companies:** SECPrice Waterhouse LLPDuns:00-169-7721LEXIS-NEXISDisclosure IncSECPrice Waterhouse LLPLEXIS-NEXISDisclosure Inc**Abstract:**

Ever since the Securities and Exchange Commission began listing **Edgar** files on its World Wide Web page in late September 1995, the page has gotten millions of hits, primarily by investors drawn to **Edgar** - the Electronic Data Gathering Analysis and Retrieval system. Financial Web publishers have also tapped into the SEC's site to copy the **Edgar** files onto their own home pages. The **Edgar** files on the SEC's page and clones spawned from it are 24 hours old. The information is available in real time from 9 on-line service providers that pay **Lexis/Nexis**, the SEC's sole **Edgar** sales agent, \$208,000 a year to get the data instantaneously. The difference between real-time publishers is in terms of the historical databases and archives they offer and how they reformat the files to make them easier to understand and share. Price Waterhouse, for instance, has put real-time **Edgar** files in Lotus Notes form and has copyrighted these documents on the Internet. The 400 types of **Edgar** files contain critical news about the 45,000 public companies in the US and their subsidiaries.

**Full Text:**

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- 1 Edgar citings are being reported everywhere. Ever since the Securities and Exchange Commission began listing these files on its World Wide Web page in late September, the page has gotten millions of hits, primarily by investors drawn to Edgar, the Electronic Data Gathering, Analysis and Retrieval system. But more curiously, financial Web publishers have also tapped into the SEC's site to copy the Edgar files
- 5 onto their own home pages.
- 6 However, **Edgar** consumers should beware. All Edgars are not created equal. For one, the **Edgar** files on the SEC's page and clones spawned from it are 24 hours old. The information is available in real time -- at a price -- from nine on-line service providers that pay **Lexis/Nexis**, the SEC's sole **Edgar** sales agent, \$208,000 a year to get the data instantaneously, either over a T1 or a 56 KB dedicated line. These real-time value added resellers are: Bloomberg Financial Markets, Disclosure Inc., Factset Data Systems, Federal Filings, Indepth Data, Internet Financial Network, **Lexis/Nexis**, Moody's Investor Service and
- 12 Standard & Poors.
- 13 In turn, these nine wholesaler VARs distribute the files to subscribers over another 56 KB line, over 14.4
- 14 to 28.8 kilobyte dial-up modems, or, in some cases, via an account set up on the Internet. And these real-time Edgar packages differ from one from another in terms of speed of data delivery, search engines, data mining tools and the related reports and files bundled in. News consolidation company NewsEDGE of Waltham, Mass., opted to obtain Edgar files from Indepth Data, one of the first VARs to create a high-speed 56 KB frame relay network. NewsEDGE President Don McClagan says he selected Indepth Data because high speed is imperative, given that the Edgar files are so bulky.

### Edgar Type A, Type B

That is the real competition between Edgar providers, notes Carl Howe, product manager for Internet services provider BBN Planet, Cambridge, Mass. "You can see a discernible difference between free Edgar and real-time Edgar publishers, and a further difference between the real-time publishers in terms of the historical databases and archives they offer and how they reformat the files to make them easier to understand and to share."

Price Waterhouse, for instance, has put real-time Edgar files in Lotus Notes form and has copyrighted these documents on the Internet. So far, however, PW is limiting access to its own employees. The Lotus Notes format is "very valuable," Howe says, because it enables PW traders and analysts to write their own comments right on the Edgar files and send them along electronically to colleagues.

"This an excellent example of an Edgar value-add," he says.

For traders and analysts whose livelihood hinges on market-making news, these real-time, value-added Edgar files are pure gold. McClagan of NewsEDGE estimates that large investment banks spend upwards of \$500,000 a year for these files.

Much like a news wire, the 400 types of **Edgar** files contain critical news about the 45,000 public companies in the United States and their subsidiaries -- earnings statements, increases in stock shares, changes in directors or large and sudden acquisitions of stock, portending a possible hostile takeover. "Real time information is important to financial institutions. It's a good way to check on competition," says Frank Cory, **Edgar** sales manager for **Lexis/Nexis**.

## Edgar "Anti-Trust"

However, adds BBN's Howe, the fact that the SEC and New York University offer free Internet gateways to the **Edgar** files has robbed **Lexis/Nexis** of its monopoly.

While **Lexis/Nexis** still holds sole selling rights to the real-time **Edgar** files, which yields about \$1.87 million a year, the future of its overnight delivery of the **Edgar** files on 8 millimeter or 3480 tape is now in question. Eight VARs for this delayed data have been earning **Lexis/Nexis** around \$800,000 a year.

But these combined earnings are nowhere near **Lexis/Nexis'** **Edgar** operating costs, says Cory.

Thus, is he concerned about the SEC **Edgar** files on the Internet? "Absolutely. We would probably have double the number of VARs in our stable and would be able to meet our costs," if the files weren't provided on the Internet, Cory says. "These last few months have been frustrating for me. My job is to sell these wholesale **Edgar** products to the broadest range of VARs possible and let them create the value-added, reasonably priced products for the end user. But this issue of the SEC product comes up in many discussions." However, one of **Lexis/Nexis'** real-time **Edgar** VARs thinks that the investment community has been slow to recognize the value of these files -- and has yet to line up in droves for real-time subscriptions. Disclosure Inc. of Bethesda, Md., notes that the **Edgar** files are not yet 100 percent complete. Beginning in 1993, the SEC began requiring American businesses to submit their financial results electronically in phases of 1,500 firms at a time. **Edgar** won't become a complete database until May 1996, when the last of corporate America will be required to submit electronic B-Ks, 10-Ks, 10-Qs and the like.

Furthermore, Disclosure is undaunted by the free Edgar versions beginning to make the scene. In fact, Disclosure believes the 24-hour-delayed Edgar files will merely whet serious investors' appetites to pay for the documents in real-time. That's why it began picking up the tab for New York University's Edgar Web site in October when the National Science Foundation's grant money ran out.

"We are committed to having the Edgar information available free of charge. But we also recognize that most of our customers -- large investment banks such as 7P Morgan, Chase, Merrill Lynch, Paine Webber and, increasingly, mid-size firms -- want more," says Barry Sugarman, director of institutional markets for Disclosure. "Traders, researchers, analysts, portfolio managers and legal departments consume these files in vast quantities day in and day out, printing at the rate of 45 pages per minute."

The nine real-time VARs have invested "many many hours creating data-intensive, user-friendly Edgar databases," Sugarman adds. In addition, Disclosure has a repository of every document that every public company has filed since 1968, as well as to annual reports. This kind of rich information, says Sugarman, is just not available from the freebies.

## One of the Tappers

One of the first Web publishers to siphon Edgar files from the SEC site is The Lande Group, whose web page is called Investors Advantage and is aimed at the institutional market. "The opportunities that we see today

involve

basically taking information that has already been packaged in proprietary networks and repackaging it for distribution on this public information highway," says Allan Grody, Lande director.

So how is Grody distinguishing his? Investors Advantage includes other unique data, including the American Stock Exchange/Interactive Week's real-time index of 37 Internet-related companies and original Wall Street research from such firms as Schroder, Wertheim & Co.; Arnold and S. Bleichroeder; and Oppenheimer & Co.

In the future, Lande plans to incorporate video and transactional services on this page and to track viewer demographic information so he can sublet content space to sell-side firms. "We are trying to create the Fifth Avenue of the investment world," he says.

### The Life of Edgar

\* 1984 SEC begins first Edgar pilot, with help from Arthur Anderson, building an asynchronous transfer mode system through which U.S. companies can file SEC reports.

\* 1988 SEC opens first Edgar viewing rooms to the public, in New York, Chicago and Washington, D.C. Files here are available in real time.

\* 1989 SEC grants exclusive sales rights to Mead Data Central's **Lexis/Nexis** division, through January, 1997, to disseminate **Edgar** files, both in real-time and with a 24-hour delay, to other value-added resellers. These VARs, in turn act as wholesalers of the files.

\* 1994 N.Y.U. posts Edgar files on the Web, albeit on a 24-hour delay, via one-year grant from the National Science Foundation.

\* 1995 SEC also begins posting **Edgar** on its own Web page, in September, bowing to pressure from members of the public who fear discontinuation of the N.Y.U. Web site. Although the SEC's Web site is also under a 24-hour delay, it effectively robs **Lexis/Nexis** of its **Edgar** monopoly and alarms the company that its nearly \$2.6 million annual revenues -- already significantly below operating costs -- could be in jeopardy.

\* 1995 Disclosure Inc. picks up tab for N.Y.U. free site, in October, but asserts that the growing number of free Edgar sites will act as advertising for the VARs who sell the files in real time.

\* 1996 Edgar to become complete in May, when the remaining 1,500 U.S. firms will be required to file SEC forms electronically.

### Internet Addresses:

SEC:.....<http://www.sec.gov>

NYU:.....<http://is-2.stern.nyu.edu>

Investors Advantage:.....<http://www.shares.com>

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Trends on the online horizon: National Online Meeting '95.

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You should have been there.

The 16th National Online Meeting continued to show the growth that has characterized the conference with some 6,626 attendees this year, up eight percent from last year. As usual, the exhibit hall was a sell-out, with over 157 exhibitors. And, as usual, the exhibit area proved the hottest spot of the conference.

Scheduled speakers and panels confirmed what the world already knows. The Internet, with its World Wide Web, is the hottest, fastest growing, and probably already dominant online information environment. Everyone is scrambling to get on board -- both the information industry and information professionals. Some Web newcomers may not even know yet that they belong to the information industry, but the Web is coming for them all.

The original designer of the World Wide Web (WWW), Tim Berners-Lee, spoke at a general convocation session. Even his address, however, indicated the paradoxical blend of fragility of specific sources and durability of the medium that characterizes the Web and the Internet. CERN, the European super-computer center where he invented the World Wide Web, fell on hard times funding-wise and withdrew from its commitment to Web development and support. Berners-Lee moved to the World Wide Web Organization to continue developing Web centers in the U.S. and Europe. And the Web continues to grow ever larger. Berners-Lee indicated Web experts have begun trying to control, evaluate, and filter Web sites with "seals of approval" collated into hierarchical "trees."

The role of today's information professional as one who is marching straight into the winds of change emerged as a major focus of the conference: How to use the Internet as a tool for searching information? How to train professionals and their clients and students in searching Net sources? What are the implications of the new digital information environment for the general societal values for which libraries and librarians have formed a traditional bulwark? How can information industry professionals use the Internet and the Web as a publishing environment?

We can't cover all the announcements and products shown at the meeting, but let's see if we can find some trend-setters.

New Era of Answer Products

Though the Internet may have dominated the conference program, GUI (graphic user interface) technology dominated new products displayed in the exhibit hall and announced in the press room. The online industry seems to have caught up with the GUI revolution among general computer users. Whether through Windows-based products or through services emulating graphics-oriented consumer information utilities like America Online or Prodigy, or sometimes combinations of both, major online search services and database producers have begun to introduce new answer-oriented services with new end-user-targeted prices and pricing. AT LAST! (Sorry, info industry, but it's been a long wait.)

In late 1994, the first major search service to announce a complete

re-design around the GUI technology -- DataTimes -- promised that their new EyeQ Windows-based software interface would come out in January 1995. The date kept slipping, but DataTimes distributed copies of the software at the National Online Meeting as part of a major release to all existing customers and to traditional markets. Later this year they plan a major marketing and advertising campaign to introduce the EyeQ product and service to a broad business end-user market. They have already added Information Access Company's PROMT, Trade and Journal ASAP, Newsletter Database, MARS (Marketing and Advertising Reference Service), and Globalbase databases.

It's too early to say, but initial reports from users indicate that EyeQ has some very attractive characteristics including a "price tag" function that precedes the "purchase decision point" in each search. Basically the interface software re-packages information around user questions, rather than sources, and walks the searcher through the selection of databases and structuring of search strategies. But EyeQ has some reported problems as well. Installing it on Windows may pose some difficulties. Searchers accustomed to DataTimes' command language structure may find it difficult and onerous to push through menus and Windows' conventions to reach their information.

Among EyeQ's most attractive characteristics is its pricing structure. As with consumer information utilities, users pay a flat monthly fee (\$59) for basic functions -- in this case, searching and viewing the headlines, dates, and sources of documents retrieved. When the user decides what results they want to see, then they pay output charges -- 50 cts. | per citation, \$1 for KWIC (keyword in context) or lead paragraph, and \$5 for the full-text document. In the Business Analyst section of the service, extra charges apply to special sources -- \$1.25 for stock performance from IDD Tradeline, \$2 for company profiles from Standard and Poor's, \$25 for annual reports from Disclosure, \$5 for quarterly reports from Disclosure, \$7.50 for credit reports from TRW, and \$6.50 per letter-sized page from Investext's analysts' reports. Quick stock price quotes cost 5 cts. | per issue. Composite-source executive reports on U.S. and international companies and industry scorecards from Avenue Technologies, a DataTimes' subsidiary, cost between \$24.95 to \$34.95.

DataTimes may have been the first, but it apparently will not be the last. The conference saw a number of similar answer products and services from other major suppliers, most built around Windows software and re-priced along consumer utility models. Knight-Ridder Information (KRI), also known as Dialog and DataStar, announced several new such products, produced in concert with their new partner, Advanced Research Technologies, Inc. (ART). Custom DIALOG provides a Windows-based interface to all Dialog and DataStar databases. It is targeted at novice end users with little or no searching experience. Currently KRI is testing Custom DIALOG in major pharmaceutical, chemical, accounting, manufacturing, and consumer products companies for enterprise-wide access.

Even more exciting, KRI/Dialog has announced a series of subject-specific, Windows-based products. The first is BusinessBase. Users click on folders and icons identifying key questions in business searching -- Snapshot, with Brief or Full profiles of company business lines and financial highlights; Financials, with annual and quarterly financials, credit reports, stock information on publicly held companies, and recent company finance news releases; Market Position, with complete product listings, product news, market share, analysts' reports and lists of company competitors; Company Structure, covering ownership and operations, top management, mergers and acquisitions activities, joint ventures and strategic alliances, and personnel changes; News, with newswire, newspaper, magazine, trade journal and newsletter articles about companies; and Additional Assets, covering U.S. patents and trademarks and federal contracts awarded. Databases tied to BusinessBase come from Dun and Bradstreet, Standard and Poor's, Investext, PR Newswire, Thomson and Thomson, Reuters, Disclosure, Information Access Company, etc. In total, the service covers some 10,000,000 companies worldwide. Searching focuses on company names. Users can deliver results by e-mail, fax, or express mail.

At show time, KRI/Dialog had not priced the final service, but estimates run at around \$50 a month plus various output charges. The monthly fee will cover telecommunications, software, and support. In the near future, searchers can expect to see similar products entitled ScienceBase and ProBase.

**NewsNet** also announced a complete re-design with an interface called Baton. Baton for Windows provides instant dial-up and sign-on, offline search strategizing, relevance scoring of search results through a color bar chart, and offline access to the NewsFlash current awareness service. The software will generate indexed, related, and variant terms, plus broader and narrower terms from the last set of hits, to build better searches. Searchers can choose between familiar Boolean search conventions or natural-language searching. Baton will let searchers set password defaults to one form of searching or another, or combine features of each. Display options include sorting by relevance or publication date.

At presstime, **NewsNet** projected a launch for Baton in July. They will automatically send copies to all current **NewsNet** customers. The Baton software runs on IBM PC compatibles running Windows 3.1 or higher with a VGA monitor or better and a minimum of 4MB RAM. The software engine now running behind the Baton system comes from Personal Library Software (PLS), which provides automatic singularization and pluralization as well as term stemming, string matching, more wildcard flexibility, and new field searching capabilities.

Market Analysis and Information Database Inc. (M.A.I.D.) has announced a new low-cost information service called Profound through a New York-based subsidiary, Profound Inc. The new service integrates Adobe Systems' new Acrobat Portable Document Format (PDF) standard for interchanging documents within its basic software. The powerful document standard lets Profound incorporate full documents with pictures, color, graphs, and text, viewing newspaper and magazine stories in original layout and formats. Integrating the software even lets Profound users start reading documents before they have completely downloaded the PDF files. A Custom Alert service provides daily current awareness checks. The InfoSort feature scans documents with natural-language searching across files. It pre-assigns index terms and generates a standard thesaurus that works across all Profound data sources. InfoSort also provides a detailed table of contents for each report, showing the location of specific information to which users can jump on command.

Profound relies on M.A.I.D.'s collection of business data with worldwide market and industry news, business research, company and broker information, and current news. The News Now section carries hourly updates from Associated Press, Extel, AFX, and other newswires. The Market Snapshots provide key facts on 300 consumer and industrial markets in the U.S., Japan, Germany, France, and the U.K. Country Snapshots are one-page factsheets for over 100 countries. Standard and Poor's Snapshots provide key information on over 4,600 U.S. companies. Historical and current stock prices, metals prices, futures and options, commodity prices, and foreign exchange rates update continuously. The Extended Services include market Briefings in PDF format on over 300 consumer, retail, and industrial markets, graphical format country briefings, five-page S&P stock reports, and options to view complete news articles and company, market, and broker research reports. The AutoSearch services offer computerized guides through searches of M.A.I.D. files, including Researchline, Newsline, Companyline, Brokerline, Countryline.

In the U.S., the service should cost around \$19.95 a month for individuals, plus a \$6.95/connecthour charges, and work with credit card pricing. The software prompts users before adding charges for "Profound Extended Services." Corporate Profound will cost big money, like traditional M.A.I.D. services. Of course, the data covered and currency of information varies from service to service. The Profound software runs on IBM PC 386 or better compatibles with Windows 3.1 or better and 8MB RAM recommended, plus a 14,400-bps modem.

This year Dow Jones Business Information Services has released the Wall Street Journal Personal Edition. The Personal Journal provides customized collection of newspaper articles built around individual

interests, complete with graphics, for \$12.95 a month.

Not all the new services focus on business information. Chemical Abstracts Service and STN International offer SciFinder, a Windows-based software access tool built around 13,000,000 chemical substances. The database covers over 11,000,000 citations to articles back to 1967 and supports tables of contents for specific journals and current awareness profiles.

Not all graphic interfaced products operate only through Windows. Infonautics Corporation displayed the Homework Helper service for students, available on the ubiquitous Windows or delivered through Prodigy. They recently added more leading publishers to their coverage, including Reuters, Newsday, Facts on File, The Sports Network, Inter Press Service's Global Information Network, and the World Library. Homework Helper already offers over 100 full-text newspapers, 400 full-text magazines, several newswires, several encyclopedias, hundreds of maps, thousands of photographs, and major works of literature. Other publishers include Simon and Schuster, Gannett, World Almanac, the Los Angeles Times, and Compton's NewMedia.

Homework Helper allows students to ask questions in natural language and scan articles ranked in order of relevance. They can narrow searches by date, author, subject, publication and reading level. The Homework Helper works on any Windows-based computer. Usage costs \$9.95 a month for up to two hours of usage on Prodigy and \$2.95/connecthour for more usage.

#### Search Engines for Sale

The National Online Meeting serves as a marketplace for the information industry, too. These days the line between industry and customers has blurred, as information publishing and document delivery media extend their reach through enterprise-based networks and software. With customers getting more technologically powerful and sophisticated, can the database industry be far behind? Shopping for search engines now interests both the industry and many of its large clients. Personal Library Software (PLS) continues to expand its reach. The company announced partnerships and co-marketing agreements with Individual Inc., publisher of news flow services like First!, and with Bertelsmann GmbH, a leading European media company. The deal with Bertelsmann will install the PLS search engine for full-text searching of German and other foreign language CD-ROMs. The deal with Individual Inc. uses PLWeb Server to supply First! for the Web customized news service, mapping profiles and relevant documents as HTML (HyperText Markup Language) pages automatically organized by topic. The Concept and Relate features in the PLWeb software can create improved search strategies out of successful results.

PLS has announced another use of PLWeb, applying it to the task of searching the Internet and World Wide Web. The @1 Service, scheduled for release later this year, will generate a master global index, a superdirectory locating information scattered over the Net from natural language requests. The Metaserver inside @1 is an advanced Web crawler indexer. The PLWeb operates as a server by finding information in the databases it manages and providing results to searchers or other PLWeb sites, as a dispatcher by passing queries along to other servers, and as a gatherer by merging results from multiple servers into one relevance-ranked set of results. The new PLWeb also offers login and password control, secure communications, per-document pricing options, billing and tracking logs, easy installation and administration, and improved support of HTML.

PLS makes the PLWeb search server/dispatcher/gatherer available for downloading off its Internet home page <http://www.pls.com> or by mail order. But it costs \$4,995 (and there are no decimal points in that number). However, you can try it free for 30 days. PLWeb is available now for Sun and Hewlett-Packard computers, with versions for Windows NT, RS6000, NCR, Digital, Silicon Graphics, Tandem, Windows PC, Macintoshes, and other computers scheduled for the next few months. Later this year PLS plans to add a profiling or agent capability that maintains profile searches and automatically routes relevant results, as well as a specialized Web crawler. All PLWeb licensors can participate in the @1 Service that links all PLWeb sites through the beacon and metaserver software.



Verity, a long-standing leader in advanced text search engines, has announced new Topic Agents products. The Topic WebSearcher supports concept-based search and relevance ranked results, HTML compatibility, support for Adobe Acrobat PDF files, and over 50 word processing formats, advanced security, a customizable gateway, and standard searching techniques over multiple devices, including LANs, CD-ROMs, computer databases, and the Internet. The software works with Windows NT3.1, 3.5, Sun OS 4.4.1 and Solaris 2.3, 2.4, HP-UX, and AIX 3.2.5. The Topic Agent Server continuously scans sources for relevant information, offers a standard query language with ranked results, and delivers messages over the Web, electronic mail, or Lotus Notes. Verity recently announced support for Topic Agents on Microsoft Exchange Server. It has also teamed with Netscape Communications Corporation to embed Verity's topic Search Engine in Netscape servers.

Dataware Technologies has released BRS/Search, Version 6.2. The new version adds enhanced pattern matching, field level indexing, inverted update enhancements, user-replaced verification flags, improved queuing of printer instructions, loader enhancements, expanded search buffers for BRS object libraries, and all new documentation.

Dr. Elizabeth Liddy delivered a paper that discussed DR-LINK, an exciting natural language search engine from TextWise. The paper discussed how short natural language queries may not produce a rich enough set of results. As long as they produce any relevant hits, however, the DR-LINK service can poll searchers on which hits they liked, or even which sections of hits. Then the service can generate new search strategies by processing the language of the search results through relevance **feedback**.

Virtual Microsystems offers CDworks, a Windows NT-based family of high-performance, multi-protocol CD-ROM information servers, each of which can maintain dozens of drives and a number of network protocols. CDaccess is a remote access system supporting terminal, Macintosh, Unix, and PC workstations.

In a sign of the times, CDP Technologies or CD Plus has changed its names to Ovid Technologies, Inc. When the company began, the CD-ROM technology put the pizzazz in their identity. Now it's the Ovid software, initially released in 1992, which serves as a common user interface for DOS, Windows, and Unix operating environments.

In another sign, Lexis-Nexis, Philips Dictation Systems, and U.S. MicroShare have joined to develop a large-vocabulary, continuous speech recognition system for the legal profession. Initially they will develop vocabularies for litigation, corporate matters, estate planning, and real estate practice areas. The Continuous Speech Recognition system should be available for marketing in the next few months. It will allow lawyers to dictate to their word processing, computer-assisted legal research, communication, and document preparation software.

#### Sniffing Out Data

"But what's in it for me?" Traditional tasks remain. One thing the new era of electronic publishing has brought is a plethora of options for publishers of all sizes to release their information. From Internet and the World Wide Web to CD-ROMs to consumer information utilities to traditional commercial database services, more and more publishers choose to release their information through more and more outlets. As the software grows more sophisticated and drops in price, the difference in retrieval quality between commercial services and the "people's choice" outlets has started to even out, while the prices still remain very distinct. At this point, the traditionals still have massive archives and broad arrays of merge-able sources. But how long will that edge last? And how long will it be worth the price? Lexis-Nexis and Lexis Counsel Connect plan to distribute Internet legal software to over 100,000 subscribers using Netscape Navigator for Web access to LCC's LAWLinks

<http://www.counsel.com/lawlinks> |.

Looking for signs of emerging trends may entrance us for a while, but we searchers are always on the hunt for good, new data. Let's break it down into some major categories.

#### International

As always, the National Online Meeting offers particular strength for

searchers interested in global data sources. The ownership relationship has changed substantially between Learned Information U.K., sponsor of the International Online Information Meeting held each December in London, and the U.S. operation. In fact, shortly after the National Online Meeting, Learned Information in the United States announced a name change to Information Today, Inc. Nevertheless, the NOM meeting still gets a good selection of exhibitors from abroad.

News Alert, Inc. offers an Internet targeted real-time news and market data service combining a wide variety of current sources, including American Banker, A.M. Best insurance industry news, Business Wire, Comline, Comtex, Deutsche Presse-Agentur, Futures World News, IDG PR, Inter Press Service, Invest/Net, Knight-Ridder, PR Newswire, Spurt Network, S&P News, Spy Wire, Tass, Xinhua, and SandPoint Hoover corporate backgrounds.

The ClipAlert service matches all incoming news and market data to user profiles and automatically forwards full text or alerts users with headlines via email, file uploads, fax, alphanumeric pagers or other wireless devices. Average cost is \$2 per clip.

The Internet News Alert's basic Explorer service offers up to five stock quotes per day on over 20,000 traded securities and limited access to News Alert sources for \$4.95 a month. The fixed fee includes headlines from all News Alert sources matching user profiles, 100 equity quotes per day, five full-text Comtex news retrievals, 10 from A.M. Best and/or MarketScope, 15 Hoover company profiles, and five Comline Japanese industry reports. All additional full-text retrievals cost approximately \$2 each.

The Power Basic Service raises the monthly fee to \$9.95 a month and lifts the count of full-text retrievals from Comtex and Comline to ten and ones from Best and MarketScope to 15. Access to premium versions of the various services range from \$9.95 to \$24.95 a month. News Alert offers natural-language searching and current awareness profiles. To access the service, try their World Wide Web home page <http://www.newsalert.com>.

SandPoint Company continues to add new sources to its collection of Hoover Lotus Notes-compatible services. ADIS International has added international information relating to the health care industry, especially drug and pharmaceutical developments. Core elements of the product will be Adis' Alerts (Literature Monitoring and Evaluation Service), R&D Insight, and its newsletters -- PharmacoResources, Inpharma, and Reactions.

Nikkei Telecom now supplies its Nikkei English Newswire to Hoover subscribers. Nikkei English News (NEN) offers over 350 real-time news stories from Japan and Asia each day, plus full text of major articles in the next day's Nihon Keizai Shimbun morning edition, the Wall Street Journal of Japan, as well as front page stories from the evening edition. Other sources include the Japan Times, Nikkei Weekly, Far Eastern Economic Review, Nikkei Industrial News, and Daily Yomiuri. Interested parties can also subscribe to Nikkei Telecom's full menu of services directly. They include Teikoku Databank (Japan's Dun and Bradstreet), Euroscope, Regulation, Citibank, and electronic mail and bulletin board services. Nikkei Telecom offers three monthly subscription fees based on usage per usercode and connecthour charges ranging from \$180 to \$60.

The Economist Intelligence Unit (EIU) also supplies its data through SandPoint, as well as Bloomberg, KRI/Dialog (File 627), Global Report (BINUPD), M.A.I.D., Lexis-Nexis, FT Profile, and Reuters. EIU also releases information through CD-ROMs -- the Asia-Pacific Business Intelligence on Disc, vol. 1, North Asia and Australasia, and vol. 2, Southeast Asia and Indian Subcontinent, West European Business Intelligence on Disc, East European Business Intelligence on Disc, and Latin American Business Intelligence on Disc (\$4,495 each, updated bi-monthly). Other CD-ROMs include International Business Newsletters on Disc (\$5,495, updated monthly), Country Forecasts on Disc (varying in price per region from \$2,995 to \$4,995, updated bimonthly), and Country Reports on Disc (varying in price per region from \$2,995 to \$6,295, updated bimonthly).

ELLIS Publications provides a full collection of documents and reports from the European Communities on CD-ROM and diskettes. The company also provide full document delivery for whatever it indexes, as well as full text for some titles. The OJINDEX+ indexes the Official Journal of the European Communities, all COM final documents, and European Court of

Justice prints. ELLIS also publishes the OJCD full-text CD-ROM with current and proposed legislation, case law, parliamentary documents and notices, incorporating the CELEX legal database back to 1952. The multi-lingual SCAD+CD carries abstracted bibliographic citations from over 2,000 journals covering the European Communities and publications, documents, and legislation from EC institutions. Eurocat collects over 500,000 bibliographic citations from four official EC databases -- Catel, CELEX, SCAD, and Abel.

InfoSel provides a collection of print, CD-ROM, and Internet-based databases from Mexico. Its dial-up online databases include Mexico City's Reforma newspaper, Monterrey's El Norte, the Mexican Federal Register, and Mexico NewsFax, an executive summary of Mexican press stories. The InfoSel Mexico News database on CD-ROM includes Reforma back to 1993, El Norte back to 1986, and citations from over 40 other sources. InfoSel Legal carries case law back to 1917 and federal and state legislation from Mexico. The InfoSel information center carries files of news clippings, macroeconomic indicators, and price series.

INFO-SOUTH, the Latin American information system, provides abstracted bibliographic citations for articles from journals, news magazines, newspapers, and newsletters back through 1988 for all areas of economics, politics, government activities, science and technology in the region. The breakdown of regional news sources include one each from Bolivia, Cuba, the Dominican Republic, Jamaica, Panama, Puerto Rico, and Spain; two each from Belize, El Salvador, Guatemala, Haiti, Peru, Trinidad, Tobago, and Uruguay; three each from Argentina, Colombia, Costa Rica, Ecuador, Honduras, Nicaragua, and Paraguay; six from Chile; seven from Brazil; eight from Venezuela; and ten from Mexico. Produced at the North-South Center of the University of Miami, the database appears on KRI/Dialog (File 486), updated weekly, and as a CD-ROM available through the National Information Services Corporation (NISC). INFO-SOUTH also supplies direct online access to the database as well as to a Directory database of businesses, prominent individuals, and organizations and associations. Direct access requires subscription payments ranging from \$45 for a quarterly subscription available only for individuals, plus a one-time connect fee of \$30, for unlimited access, to \$600 annually for U.S. government organizations, \$950 annually to non-profit organizations, or \$1,500 annually to for-profit organizations. Hourly subscribers pay a one-time \$30 fee, \$20 per month minimum, and \$85/connecthour. Access comes through the Internet via telnet [sabio.ir.miami.edu](mailto:sabio.ir.miami.edu) or gopher [gopher gopher.nsc.miami.edu](gopher:gopher.nsc.miami.edu) or the Web

<http://www.gate.net/info-south/>. InfoSouth provides document delivery for all citations and intermediated literature searches for those uninterested or unequipped to do their own searching.

Datastream International provides an economics database with over 50,000 time series covering interest and exchange rates, stock and bond indices, commodity price data, and financial news for some 140 countries back to 1970 or earlier. The Equity research file carries historical data on over 30,000 equities, including price performance, company accounts, indices, market and exchange rates, etc. The fixed Income Research carries historical data on over 70,000 domestic and international bonds and related instruments. The Derivatives data file carries historical data for options, convertibles, warrants, swaps, and financial and commodity futures. Global coverage includes 20 European countries and a general "other Europe" category, Israel and Jordan in the Middle East, 14 countries in the Far East, and another "other countries" category, Canada and the U.S. in North America, South Africa and "other Africa," and seven Latin American countries plus an open category. Searchers can access the data through online networks or Windows-based PC packages. Access includes graphic displays and analysis.

EURASTAR, a division of Sleigh Corporation, provides financial and statistical information on over 8,400 banks from 166 countries in its Eurabank file, with five years of annual data and 1,000 data items. Searchers can access the file on CD-ROM from OneSource Information Services, IBM Windows-compatible diskettes, and direct dial-up access.

The World Bank introduced the World Development Report on CD-ROM, 1978-95, co-produced by ASIA-CD. It includes economic and social analysis

from 18 editions of the Report. The CD-ROM costs \$375 for individuals, plus \$95 for annual updates. Network licenses cost \$750/\$190.

Delphes, from the Paris Chamber of Commerce, has expanded its offerings. Doge is a unique database providing citations covering company management issues in research publications, working papers, doctoral theses, and congressional communiques. It appears on KRI/Data-Star at present (DELP); other Delphes data also appear with KRI/Dialog (File 481). The CD-ROM Delphine extracts Delphes data on management, business, and economics from over 100 periodicals. The CD-Export file offers new software from Dataware Technologies that works with DOS or Windows. It has also added a new file covering Austrian exporters and importers. The Telefirm collection of French company profiles has extended coverage in the Paris region with 100,000 new company profiles.

Bureau Van Dijk Electronic Publishing supplies two CD-ROM databases with an innovative pricing option. The Fame product covers five years of full financial accounts for over 200,000 public and private British companies with annual sales over \$1,000,000. The Diane file covers over 250,000 such French companies. The Smart Card Reader access attached to the CD-ROM discs allows purchasers to pay a fixed annual fee -- \$1,600 for Fame, \$1,800 for Diane for the initial year; \$600 each for subsequent years -- plus fees for sets of 100, 500, or 1,000 credits, priced at \$1,000/\$4,000/\$7,000 respectively. Each time a user displays, prints, or transfers any part of a company report, they pay a credit. The credit also covers an updating or consultation on any part of a company report so used until the next update appears. Displaying and printing lists of company names derived from searches requires no extra payments or credits. Bureau Van Dijk also issues the Amadeus financial database on CD-ROM covering the top 100,000 companies from 17 European countries complete with financial analysis software. The Amadeus database carries additional information on mergers and acquisitions, procurement, export and import, credit analysis, marketing targets, corporate strategies, competitive analysis, and micro-economic studies at the European, country, or regional levels. It updates every two months.

#### Law and Government

Public record searching is very hot these days. Westlaw purchased Information America, one of the leading boutique services in the field, this year. They have indicated plans for greater support. In the meantime, the Public Record Research Library, publisher of a series of reference books in the field, has released the Public Record Directory on Disk. The CD-ROM covers 25 categories of information with over 3,000 records carrying the names, addresses, and telephone numbers of members of the Public Record Retriever Network. The over 300 firms retrieve public records in 41 state capitals and 1,700 countries nationwide. They follow a Code of Professional Conduct. The package covers state and county court systems, county recordings for assets and liens, state public records, and the federal court system. Each file costs \$79 or \$199 for all four.

Congressional Quarterly exemplifies the wide array of options traditional print publishers face in the new electronic environment. The century-old service now covers the Hill with CQ Gopher (gopher.cqalert.com), CQ Instant Access with electronic delivery of CQ Weekly Report and CQ Researcher in the American Newspaper Publishers Association's standard format, CQ on America Online, and CQ Researcher on a SilverPlatter CD-ROM. They soon expect to add Reporter's Briefcase and a graphical user interface to their own in-house Washington Alert service.

Westlaw plans to release an online current awareness service called the West Network. It will support current awareness services, electronic mail, discussion forums, legal research capabilities, Westlaw and Internet gateways, and other online services. West will first market the West Network in California and then expand nationally. It looks like Lexis Counsel Connect, the legal consumer service from American Lawyer, will have some competition. Westlaw continues to add to its online collection with eight Native American Law databases covering case opinions, statutory legislation, and law journals, federal Board of Immigration Appeals' administrative decisions back through 1983, Charles T. Hall's 1994 edition of the Social Security Disability Practice, state insurance databases for

all 50 states plus D.C., Puerto Rico, and the Virgin Islands, and 13 of the Rutter Group's California Practice Guides. In the CD-ROM medium, West Publishing has released 74 Nutshell Series books for lay persons and 24 titles in the Hornbook Series, with one-volume treatises serving as a legal encyclopedia. Both series update twice a year.

Newsbank has added U.S. Newswire to its CD NewsBank monthly updated CD-ROMs. U.S. Newswire carries full-text releases from major federal sources, including the White House, the U.S. Congress, federal agencies, plus interest groups, political parties, etc. It carries transcripts of major speeches, presidential proclamations, and daily media briefings.

Claritas/NPDC has released a collection of demographic and economic statistics called Consumer Clout that links two U.S. Department of Commerce files -- the Consumer Expenditure Survey (CEX) and the Census of Retail Trade (CRT) -- with Claritas' proprietary annual demographic data. They provide data in electronic InfoPaks broken into specific spending categories.

Dataware Technologies offers a CD-ROM of the U.S. Geological Survey's Geographic Names Information System with almost 2,000,000 names for known places, features, and areas of the U.S. Searchers can access the information by state, county name, topographic map name, feature, geographic coordinates, elevation, map scales, and bibliographic reference code. The Aerial Photography Summary Record System CD-ROM carries over 2,500,000 records from over 500 contributors. Each record includes latitude, longitude, state and county, date of coverage, focal length, sensor class, percentage of cloud cover, and further contact information. Each CD-ROM costs \$57.

EIS International has released EHS/LifeCycle, an environmental, health, and safety software package that integrates information on federal regulations with mapping, modeling, sensor, communications, and video components. The PC- and LAN-based software supplies regulatory information ruling the manufacturing, chemical, pharmaceutical, and petrochemical industries. Users can view maps of the region or locality, sites and floor plans, process control diagrams, and photographs of buildings, equipment, or personnel. The product integrates the custom information with data on training, auditing, inspection, maintenance, MSDS's, emergency planning, waste accumulation, and other management tools.

#### Business and Corporate Information

The Securities and Exchange Commission **EDGAR** electronic filing system continues to expand its outlets. Lexis-Nexis has added EDGARPlus prospectuses from Disclosure Incorporated as the Prosp file in the Compny library and in the Edgarp, Filing, and SEC groups. EDGARPlus Registration Statements appear in the Reg file in Compny, and the other libraries, with the same treatment as prospectuses. The new materials are available within two to ten days of SEC acceptance, along with any exhibits filed as separate documents. Lexis-Nexis breaks the prospectuses with enhanced field segments, including Risk-Factors, Use-of-Proceeds, Business, Mgmt-Discussion, Securities, Plan-Distrib, and Legal-Matters. Searchers can also browse sections of each document through tables of contents, company information, and text of the document. Westlaw has also added **EDGAR** filings to its Company Index database of company profiles. It merges them with SEC reports not filed via **EDGAR** back through 1968. The file updates twice a week on Westlaw.

Global Securities Information's LivEDGAR service offers access to all operational **EDGAR** filings with indexes and full-text searching. Internet access will be added shortly. Searchers pay \$10 access for each search plus \$60/connecthour. LivEDGAR also offers monthly subscriptions. To use the service, users need an IBM 386 PC compatible or better, a V.32 14,400-bps or V.FC 28,800-bps modem, and Windows 3.1 or better.

CDA/Spectrum, the leading tracker of securities and company ownership, has purchased the French Organisation BMB and acquired its Dealer's Book with equity and fixed income ownership data from mutual funds, insurance companies, and the Paris Stock exchange. It has also incorporated McGregors' South Africa public and private company information from the Johannesburg stock exchange, South African funds and Share Registers. New reports from CDA/Spectrum Online compile 13(f) aggregate holdings and rank

selected securities or institutional owners. Historical Competitors Summary compares historical 13(f) institutional ownership in one report. The CDA/Spectrum Online system now transfers files with Kermit or Zmodem over the Internet.

The Investext Group now offers the Research Bank citations and full-image reports direct to desktop computers. Research Bank covers reports from over 250 investment banks, research companies, and brokerage firms on CD-ROM, all in the original format with text, charts, and graphs. The compact disc updates every week and uses a Windows-based search engine. The I/Plus Direct service offers MarkIntel market research reports, merging reports from 22 consulting and market research firms, including Datamonitor, Freedonia, Find/SVP, et al. I/Plus Direct has reduced its charges to \$30/connecthour but MarkIntel users searching the file separately pay only document delivery charges. I/Plus Direct's Pipeline file supplies reports not available through the main Investext database available on other vendors. Pipeline carries foreign language special reports and also more current reports than those available on external services.

This year, Dun and Bradstreet Information Services introduced its World Wide Web site <http://www.dbisna.com>. They have also opened a spot on the new marketplaceMCI Internet shopping mall. The parent company, Dun and Bradstreet, also has a Web site <http://www.dnb.com> with lists of companies in the D&B family and links to other subsidiary Web sites. More D&B divisions are putting up home pages every day.

Dow Jones News/Retrieval continues to add more sources, particularly international sources. They have added the same-day Financial Times from London, Far Eastern Economic Review, Nikkei Telecom's Nihon Keizai Shimbun, and the exclusive Dow Jones Emerging Markets Reports. In specific fields, they have added American Medical News, Bank Marketing, Bank Management, Columbia Journalism Review, Communicative News, Inside Media, Institutional Investor, Interactive Age, Journal of the American Medical Association, Kiplinger's Personal Finance, Lancet, Multichannel News, OEM Magazine, and Telecommunications, as well as 13 more regional U.S. newspapers, from the Cleveland Plain Dealer to the Arizona Republic. Dow Jones' newswire collection now gateway's to Westlaw.

KRI/Dialog has added Find/SVP Market Research (File 766) with market research reports and assessments on food, health care, high technology, industrial equipment, home furnishings, biotechnology, water treatment, and personal care.

OCLC has added the Journal of Economic Literature's Econlit database to its FirstSearch and EPIC service (File 37).

American Business Information has opened a direct online service. American Business Lists Online offers access to 10,000,000 company listings for \$45 a year subscription, \$15/connecthour, 20 cents per name when downloading 5,000 or more names in a month or 25 cents each for less than 5,000, \$6 per company profiles, and \$29 per TRW Business Credit Report.

Information Access Company has introduced IntelliSeek, a CD-ROM database compiling competitive intelligence information for over 40 major industries from the PROMT database. The package uses Windows-based software and full-color, high-resolution graphics. It carries informative abstracts and full-text articles from over 400 North American trade and business journals, company and industry newsletters, newspapers, and business magazines. Searchers can access the system by company, product name, industry, business event, geographic region, publication name, and date or words in the text. IntelliSeek costs \$1,500 a year or \$4,000 for multiple, non-networked users. Networked pricing starts at \$6,500.

INCAD, Inc. offers the Pharmaceutical Information Library (PHIL) with sources like the Prescription Drug-Biologics Electronic Library of federal regulations, FDA phonebooks, guidelines, bulletins, policy guides and the FDA Orange Book; the Nonprescription Drug OTC Electronic Library with OTC monographs, status of OTC reviewed ingredient, sample labels, and Federal Register notices; the APhA Handbook of Nonprescription Drugs, Physician's GenFix, United States Pharmacopoeia, USP Dictionary of USAN and International Drug Names, AMA Drug Evaluations, a major medical dictionary, news-letters, professional journals, and other major text references. The

files update daily and offer access through Internet Web

<http://www.primenet.com/-incad/incad.html> or gopher and bulletin board access. In July INCAD will install the latest version of Folio Views with Internet security features. INCAD also offers quarterly CD-ROMs with Mac, DOS, Windows, Windows 95, and Windows NT interfaces.

HCIMA's Worldwide Hospitality and Tourism Trends is a CD-ROM published biennially. It includes citations for over 60 periodicals in the Current Awareness Bulletin which scans daily and updates quarterly; the Research Register, with data on projects in progress over the past five years in the U.K. and the U.S.; and World Trends, with summaries on global trends in the hospitality industry. The CD-ROM works with IBM PC 486 compatibles or better, 10MB hard disk space, VGA color monitor, MS-DOS 5 or higher, and Windows 3.1 or higher, 4MB RAM, MSCDEX Extension 2.1 or higher, and an ISO 9660 compatible CD-ROM drive.

BRP Publications provides access to its Telecommunications Reports and some 20 other multimedia, data networking, human resources newsletters over the World Wide Web <http://brpinc.com>. The "News to Peruse" section will carry leading stories from the current issues, while industry experts will offer monthly additional material in the "Consultants' Corner."

#### Sci-Tech

Patent data sources continue to grow and improve. Lexis-Nexis will soon provide U.S. patent drawing sheets into the patent law library through an upgraded Lexis-Nexis Research Software for Windows 4.0. Searchers will then scan search results and download images and documents. The revised software will allow searchers to browse next and previous images, enlarge/reduce/restore images, rotate by 90-degree increments, enlarge to full-screen viewing, save images, provide a bounding box for partial images used in cutting and pasting to work product, and provide an off-line viewer for saved images. Retrieval time for downloading images should run between a few seconds to about 15 to 22 seconds through a 14,400-bps modem. Lexis-Nexis plans to expand the new image-handling ability to other files as well.

Derwent has introduced Customised Services products built around patent and scientific information profiles. Subscribers receive output through a number of advanced delivery media, including searchable CD-ROM, diskette, and the Internet. The Derwent Patents Citation Index (PCI) and Geneseq will go online with STN International through an arrangement with FIZ Karlsruhe in December. Derwent has also introduced the Environmental Biotechnology database on CD-ROM and diskette. The file covers abstracts from over 1,200 primary scientific journals, patents from 40 worldwide patenting authorities, and international conference and meeting literature, extending back to 1982. The diskette version carries monthly updates. The CD-ROM costs \$2,025; the diskette, \$450.

Springer-Verlag Electronic Media has launched a number of Internet services through ftp, gopher, and the Web. The Springer Journals Preview Service combines tables of contents and abstracted bibliographic citations from some 150 scientific journals in the fields of medicine (42), biomedical sciences (11), biology (33), mathematics (11), chemistry (3), engineering (12), physics (9), geosciences (7), and computer science (3). Searchers can retrieve articles as files using ftp. Numerische Mathematik is the first journal which Springer will offer electronically on a trial basis to print subscribers. In the future Springer Journals Preview Service will provide tables of contents free via e-mail

[SVJPS@VAX.NTP.-SPRINGER.DE](mailto:SVJPS@VAX.NTP.-SPRINGER.DE), ftp <ftp.springer.de> or 192.129.24.12|, gopher <gopher.springer.de>, and Web <http://www.springer.de>.

BiblioAbstracts are available only through e-mail for \$20 a year.

Springer-Verlag also supplies the Canada Institute for Scientific and Technical Information (CISTI) with full-text copies of all articles or conference papers in English, making CISTI the only comprehensive source for all SpringerVerlag journals.

The Community of Science, formerly BEST North America, now calls itself an electronic publisher of Internet-based science and technology series. It provides a directory of faculty researchers and scientists, and connects academic and corporate researchers through the World Wide Web and other Internet venues. Searchers can access the Community of Science's

faculty listings through the Web server. They also publish a CD-ROM version updated quarterly and using the Folio Views software. A dial-up service uses BASISPlus.

ALLDATA Corporation offers automotive repair diagnostic information, now on the Internet through a Web and gopher site, as well as the ALLDATA Bulletin Board Service. Users can download diagnostics and artwork electronically, plus shop management system software, and purchasing information.

Information Access Company (IAC) has a new CD-ROM for patient medical information. Health Reference Center Gold incorporates the original HRC with indexing to over 150 health periodicals, full-text coverage for 100 titles, and selective indexing for 2,500 titles; full text of over 500 medical education pamphlets; and full-text of five leading medical reference books. HRC Gold adds descriptions of over 1,900 medical topics from Clinical Reference Systems, contact information for support groups, hotlines, and research centers from the Complete Directory for People with Chronic Illness, and full text for 12 more periodicals.

Prous Science Publishers supplies data via KRI/Dialog and DataStar. Prous also offers its own online service with chemical structural access to Prous' drug information sources through Cipsline and on the Trilogy CD-ROM. They plan to initiate a new database called MFlne covering information published in their journal, Methods and Findings in Experimental and Clinical Pharmacology. It will cover papers dealing with how scientists assess drug actions in animals and humans.

Chapman and Hall has added new editions and additional volumes to its collection of chemical dictionaries on CD-ROM. The Dictionary of Organic Compounds, 6th edition, Dictionary of Natural Products, vol. 9, Dictionary of Inorganic Compounds, vol. 8, and Dictionary of Organometallic Compounds on CD-ROM mark the 1995 changes in their product line.

Chemical Abstracts Service (CAS) provides the CAPlus database only through STN International. The file now provides references to all significant items in the tables of contents of an issue -- scientific articles, biographical items, book reviews, editorials, errata, letters to the editor, news announcements, product reviews, and miscellaneous items. CAPlus on STN will also update coverage of its 1,300 chemistry journals daily. The CASurveyor CD-ROM has also been updated. The version 2.0 software lets searchers limit searches to only new information on update discs and save search queries for reuse on update discs.

IFI/Plenum Data now provides its IFI Chemical Term vocabularies on floppy disks. IFI PC Reference stores selected terms into search strategies automatically for searching IFI's Claims chemical patent databases. The IFI Chemical Term Vocabularies include the General Term Thesaurus, General Term List, Compound Term List, Molecular Formula List, Fragment Term List -- Uniterm and CDB.

PINET/American Institute of Physics will soon offer its PINET (Physics Information Network) through the Web

<http://www.aip.org/pinet/pinethome.html>. A beta test period is planned from June through August for current PINET subscribers and selected non-subscribers. The service will open the searchable physics databases and links to other WWW resources to Netscape and Mosaic browsers. Interested parties can volunteer for the beta test.

#### General

OCLC plans a joint venture with EBSCO Publishing to create a database of full-text article images that they will offer over the World Wide Web in 1996. They have already opened Web access for Applied Physics Letters Online of the OCLC Electronic Journals Online with Physical Review Letters scheduled next. ABI/Inform and Periodical Abstracts on the EPIC service now offer full text. Both FirstSearch and EPIC will soon offer several new databases -- American Business Information, USA Select Telephone Directory, RILM Abstracts of Music Literature. Most excitingly, OCLC plans to produce a new database inventorying Internet-accessible resources. Called NetFirst, the file will use bibliographic citation formats with summary descriptions, subject headings, status as Web pages, interest groups, library catalogs, ftp sites, Internet services, Gopher servers, electronic journals, newsletters, and location information. The initial file will appear this



summer with some 50,000 records and grow by 10-15,000 records a month.

H. W. Wilson Company has added full text to its Readers' Guide Abstracts on the WilsonDisc CD-ROM. The Readers' Guide Abstracts Full Text Mini Edition carries abstracts and indexing for 160 periodicals and full text for 53 titles and extends back five years with quarterly updates. The new Mega Edition will cover 240 periodicals with full text for over 100 and carry indexing back to 1983, abstracting back to 1984. In both files the full text starts in January 1994. Wilson will also make the full text versions available for WilsonTape database licensing. Wilson has also released WilsonTape and WilsonDisc CD-ROM versions of its Current Biography service, with 2,500-3,500 word biographies of prominent celebrities. The initial database will cover articles from 1983 to 1994. The initial annual disc subscriptions will cost \$189, \$129 for renewals.

Oxmill Publishing has released a series of CD-ROM databases. Co-published by Access Innovations, the International Directory of Educational Audiovisuals (IDEA) abstracts over 400,000 audiovisuals indexed by NICEM (the National Information Center for Educational Media). It updates quarterly and costs \$620 for an annual subscription. The ChildData on CD-ROM, developed by the Library and Information Service at the U.K.'s National Children's Bureau, merges several databases, including full text of recent issues of the Bureau's Highlights, citations to books, reports and journals, lists of recent and forthcoming conferences and meetings, and the Index to Children and Parliament database. ChildData costs \$900. The Volnet UK on CD-ROM collects four databases from the Volunteer Centre UK and Community Development Foundation in the U.K. It costs \$900. Book Data and Oxmill have developed the BookFind-CD Developer's Pack to support bookshops and libraries accessing BookFind to confirm current book prices and availability for books published in the U.K. and the U.S. It offers several subsets -- the World Edition, Standard, Compact World, Medical & Healthcare, and Business & Law.

The Sports Network (TSN) plans to provide its entire data service over the Internet. They already supply data to CompuServe, TV Guide Online, Bloomberg Financial, Knight-Ridder, and other services. They will use WAIS to handle the information.

#### Searchers' Friends

There is more to serving the information professional community than interesting "booth loot" at a conference. NOM '95 offered items of interest to librarians, information brokers, and other professionals. Even here, the sea change that has brought the profession to the shores of the Internet dominated.

With a "gift that keeps on giving," SilverPlatter Information now sponsors a listserv on the Internet to serve the Solo Librarians Division of the Special Libraries Association. The loneliest of librarians can now find friends, share ideas and information, seek joint solutions, and discuss professional topics, with SilverPlatter's assistance. The Solo listserv (SOLOLIB-L) is unmoderated. Interested parties should subscribe by sending an e-mail message to [listserv@silverplatter.com](mailto:listserv@silverplatter.com) reading "subscribe sololib-1 firstname lastname." To post, send a message incorporating a subject line reflecting the topic to [sololib-1@silverplatter.com](mailto:sololib-1@silverplatter.com).

Some new working tools have emerged for collection developers. The Institute for Scientific Information (ISI) has released its Journal Citation Reports on CD-ROM for both science and social science editions. The JCR measures the relative importance of journals within their subject categories using algorithmic analysis of co-citation patterns between journals. It also indicates how frequently a journal has been cited, which journals are cited most often, what publications one journal cites and which cite it, and how soon after publication and for how long a journal is cited. Both editions cost \$950 for the pair.

Oxbridge Communications has issued the Standard Periodical Directory on CD-ROM covering over 85,000 North American magazines, newsletters, newspapers, journals, tabloids, and directories.

In this era of changing publishing media and rising database opportunities, a wide array of services have emerged to assist current and "wannabe" database producers to design new products and services. Ameritech Library Services offers an array of services. Its InfoShare Unix-based

client/server products store and managed databases, interface with an image server, provide an Internet graphic client browser called WinPAC and a character based browser called TermPAC. The NetPublisher software organizes, catalogs, maintains, and distributes data with a Windows-based graphical editor and monitor and publishing tools for dealing with the Web, gophers, and Z399.50 databases. For libraries that want plug-and-play, the Vista service has a new pricing structure that lets libraries choose unlimited access or access per port. After a one-time installation fee of \$2,500 and an annual \$250 maintenance fee, users can multiply the number of OPAC terminals and dial-up ports multiplied by the annual unlimited port fee of \$110.

Not There Yet

Sounds like a wonderful meeting. Right? Of course, but nothing's perfect. Absence makes the heart grow fonder and some players and phenomena were not represented at 1995's National Online Meeting.

The three big players that attendees did not see at the NOM'95 meeting are the consumer information utilities -- CompuServe, America Online, and Prodigy. As more and more publishers turn to the consumer services as publishing outlets, and more and more end users enter the new venues, information professionals must consider these "low-cost" services as major suppliers of well-priced and often unique data. As the information industry begins to follow the technical and marketing behavior of the consumers, increasing intercourse should serve mutual interests and opportunities.

We also did not see the emerging consumer information services. Of course, no one has really seen Microsoft Network yet, as "the horse it rode in on" -- Windows 95 -- continues to experience major difficulties in getting out of the stall. However, another major service may have emerged in the news area. Late in April, eight of the largest newspaper companies in the U.S. announced they would form a national network to help local online newspapers create online services. The New Century Network will operate as a joint venture of Advance Publications, Cox Newspapers, Gannett, Hearst Corporation, Knight-Ridder, Times Mirror, Tribune Company, and the Washington Post Company. Between them, the charter companies own 185 daily newspapers with total Sunday circulation of over 23,000,000. Six already offer online products on commercial online services, e.g., Cox's Atlanta Journal and Constitution and the Los Angeles Times' TimesLink on Prodigy, Gannett with several papers on CompuServe and soon Prodigy, Knight-Ridder's San Jose Mercury News' Mercury Center on America Online and the World Wide Web, etc. The other two have products in development. Members will share content and develop new packages using common technical standards and consulting services. The network will link strong local services to national networks, including the Internet's World Wide Web and offer national e-mail, bulletin boards, and realtime conferencing. Each original company expects to put all but the smallest newspapers online with the network within the next three years. The first eight members are only the beginning. New Century Network's partners plan to open the Network to all U.S. daily papers. Already the New York Times announced its participation in May. Presslink, a leading online supplier of graphics to newspapers, and Prodigy have professed enthusiastic support. Projected pricing would have local papers charge local subscriber basic fees for full access and usage-based extra charges for out-of-area newspaper access.

Whew!

And that's only the half of it. Really, you should have been there. Well, maybe next year.

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INDUSTRY CODES/NAMES: LIB Library and Information Science

DESCRIPTORS: Data base industry--Conferences, meetings, seminars, etc.;  
National Online Meeting--1995

PRODUCT/INDUSTRY NAMES: 7375000 Database Vendors

SIC CODES: 7375 Information retrieval services

FILE SEGMENT: TI File 148

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~~EDGAR on the Internet~~

~~Legal Information Alert~~

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The availability of the EDGAR database on the Internet marks the final realization of Progressive Era and New Deal securities legislation sponsors, who envisioned that public disclosure of company information would enable investors to make prudent decisions. When the SEC awarded Mead the contract to develop EDGAR and disseminate the data on a wholesale basis, public-interest groups demanded free access to this information. Jamie Love, of Ralph Nader's Taxpayer Assets Project (TAP), who has lobbied for years to make publicly funded government data available, considers the SEC EDGAR database one of the "crown jewels."

Ed. note: For background information, see the January 1995 issue of LEGAL INFORMATION ALERT, a special guide featuring "Assault on the Citadel: Romancing the Crown Jewels of West Publishing."

At the same time, Carl Malamud, who formed the Internet Multicasting Service (IMS), in October 1993 teamed up with New York University on a two-year National Science Foundation grant, to make EDGAR available on the Internet. With additional support from corporations like Sun Microsystems, HarperCollins, Persoft, and UUNET Technologies, the project was supervised by NYU's Stern School of Business, while the database management was subcontracted to IMS, who made EDGAR available on its Town Hall Internet site (<http://www.town.hall.org>).

The Town Hall project provided a variety of mechanisms to access the EDGAR database, from low-end and e-mail interfaces to high-end Mosaic connections. This Internet EDGAR Dissemination Project allowed users to obtain electronic filings made since 1994 on a "day-delayed" basis. Search capabilities as well as printing options were not as sophisticated as commercial products, but for the individual user or small information center, the cost only amounted to basic Internet provisions.

With the end of the grant and the Town Hall project on October 1st, the SEC inaugurated its home page on the Internet (<http://www.sec.gov>) with access to the EDGAR database. Since this server is "under construction" at the time of this writing and is expected to undergo changes over the next few months, I will describe the menus offered.

The SEC Internet site enables retrieval of 1994 and 1995 electronic filings available to the public. The service has two types of access: via Web browsers or via anonymous file transfer protocol (ftp). You can log on as user "anonymous" with a password consisting of your electronic mail address. Searchers can use OR, AND, and ADJ, when entering terms, and results are generated in a list of filings posted by form and in reverse chronological order. Other retrieval tools include a quick forms lookup, current events analysis, mutual funds retrieval/**prospectus** search, Schedule 13D ownership report, and executive compensation test extracted from proxy (DEF 14A) filings. The **prospectus** report, for example, gives all "485" filings pertaining to mutual funds of choice.

inherent  
to Edgar  
database

While the SEC Internet site appears to offer an equivalent replacement for Town Hall (including a trade off between limited search capabilities and low cost) two commercial vendors also offer access to EDGAR through their home pages. Disclosure entered into an agreement with New York University to continue providing full access to EDGAR by allowing NYU to maintain its Web site without interruption. NYU can be accessed directly (<http://EDGAR.stern.nyu.edu>) or through a link from Disclosure's home page (<http://www.disclosure.com>). Its search menus seem almost identical to the SEC's home page EDGAR site. At the same time, Global Securities offers free real-time access to **LIVEDGAR** via its home page (<http://www.gsionline.com>), although this service is a scaled-down version of the commercial product and must be **downloaded** to a disk and added to the program manager through a "special client program".

With EDGAR a reality, SEC information specialists must determine the best means to access the database, search it, and present the data. Priorities like currency, coverage, search capabilities, and value-added features should be considered when choosing EDGAR products to meet your specific information needs.

--Bonnie Fox Schwartz is a reference librarian in New York City.

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SEC Approves Internet-Only Securities Documentation  
(SEC rules in favor of Internet-only securities transactions; amendments to  
cover video, audio and graphic presentations)  
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ABSTRACT:

According to a ruling by the US Securities and Exchange Commission (SEC), brokerage and investment houses will be able to receive and deliver securities documents solely over the Internet. The SEC's rules that prescribe the physical appearance of a paper document, such as type size and font requirements, are being amended to provide that the issuer, when delivering an **electronic version** of a document, may comply with the requirements by presenting the information in a format readily communicated to investors. The amendments will become effective 30 days after publication in the Federal Register. With respect to documents delivered to investors, the proposed rules provided that if graphic, image, and audio information is included in one version of a disclosure document, but not in other versions, the issuer must include in the other versions a fair and accurate description or transcript of the omitted information in order to ensure compliance with the federal securities laws. However, documents containing video, audio, and graphic presentations currently cannot be filed on the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system. Where these presentations are used in documents delivered to investors, the Commission has required electronic filers to provide fair and accurate descriptions of omitted materials in their EDGAR filings. The Commission now also makes electronic filings publicly available on the Internet within 24 hours of acceptance, he said. The **prospectus** requirements also have been amended to provide for the inclusion of a statement that the Commission maintains a Web site that contains reports, proxy and information statements, and other information regarding registrants that file electronically with the Commission. The Commission intends to propose expanding this requirement to apply to all investment company **prospectuses** as part of future amendments to investment company registration forms, Babits said.

TEXT:

WASHINGTON, DC, U.S.A., 1996 MAY 13 (NB) -- Brokerage and investment houses soon will be able to receive and deliver securities documents solely over the Internet, according to a ruling by the US Securities and Exchange Commission (SEC).

The SEC ruling is a result of comments filed with the Commission after a ruling last October that allowed brokers to send documents electronically, provided a paper copy also was sent.

In its October Interpretive Release, the Commission "recognized the promise of electronic distribution of information in enhancing investors' ability to access, research, and analyze information, and in facilitating the provision of information by issuers and others," the Commission wrote in

its ruling.

"Acknowledging the wide spectrum of media available to issuers and others who distribute securities-related information, as well as the fact that strict compliance with requirements applicable to printed material may not be possible in all electronic media, in a companion release, the Commission proposed for comment technical amendments to rules that were premised on the distribution of paper documents," the Commission wrote.

The SEC's rules that prescribe the physical appearance of a paper document, such as type size and font requirements, are being amended to provide that the issuer, when delivering an electronic version of a document, may comply with the requirements by presenting the information in a format readily communicated to investors.

The amendments will become effective 30 days after publication in the Federal Register, SEC spokesman Joseph Babits told Newsbytes.

With respect to documents delivered to investors, the proposed rules provided that if graphic, image, and audio information is included in one version of a disclosure document, but not in other versions, the issuer must include in the other versions a fair and accurate description or transcript of the omitted information in order to ensure compliance with the federal securities laws.

However, documents containing video, audio, and graphic presentations currently cannot be filed on the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system, Babits said.

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The Commission intends to propose expanding this requirement to apply to all investment company prospectuses as part of future amendments to investment company registration forms, Babits said.

"Quick and broad access to material information was one of the fundamental premises upon which the federal securities laws were adopted," the Commission wrote in its ruling, "and electronic distribution no doubt will benefit issuers and investors through cheaper and faster communication of information."

Electronic filings made through EDGAR are publicly available through the Commission's Web site at <http://www.sec.gov>.

(Bill Pietrucha/19960513/Press Contact: Joseph P. Babits, Division of Corporation Finance, Securities and Exchange Commission, 202-942-2910)

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INDUSTRY NAMES: Financial services; Information industry; Online services; Securities  
PRODUCT NAMES: Security brokers, dealers, and flotation companies (621000); On-line service providers (737500)  
CONCEPT TERMS: All government; New laws  
GEOGRAPHIC NAMES: North America (NOAX); United States (USA)

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Regulating the net: The ASC view  
Fawcett, Andrew

Australian Accountant v66n10 PP: 29-31 Nov 1996 CODEN: AUACAC ISSN:  
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ABSTRACT: From October 1, 1996, the Australian Securities Commission (ASC) has allowed companies and fund managers to distribute electronic prospectuses on the basis of a paper prospectus lodged with the ASC. The ASC's policy on electronic prospectuses is set out in Policy Statement 107. The Policy Statement is an output of the ASC's ongoing project on electronic commerce in the financial services industry. The ASC's focus in developing the Policy Statement was on electronic prospectuses distributed by Internet or other computer networks, CD-ROM and floppy disk.

TEXT: Headnote:

Electronic fundraising is certain to be a boom area in the not-too-distant future. The regulator is trying to stay ahead of the game, according to the ASC's Andrew Fawcett

From 1 October this year, the Australian Securities Commission (ASC) has allowed companies and fund managers to distribute electronic prospectuses on the basis of a paper prospectus lodged with the ASC. The ASC's policy on electronic prospectuses is set out in Policy Statement 107.

The Policy Statement is an output of the ASC's ongoing project on electronic commerce in the financial services industry. It was developed with extensive industry consultation. The ASC has already allowed several issuers to distribute electronic prospectuses on an individual basis.

The ASC considers that issuers should be allowed to distribute electronic prospectuses when the policy underlying the prospectus provisions of the Corporations Law is satisfied. The fundamental policy of the prospectus provisions is to ensure that investors are able to make informed investment decisions on the basis of a prospectus containing all material information about the securities being offered.

Distributing electronic prospectuses and accepting electronic applications for securities may unlock significant benefits in cost efficiency, greater speed in distributing information to investors and advisers, wider spread of prospectus information, better use of information by investors, improved access to documents incorporated by reference and access to a broader range of investment products.

The ASC expects dramatic and continuing advances in electronic commerce and information technology and may refine the Policy Statement in light of technological and market developments and its regulatory experience.

The ASC's focus in developing the Policy Statement was on electronic prospectuses distributed by Internet or other computer networks, CD-ROM and floppy disk. Much of the Policy Statement is likely to apply to other media

for the distribution of electronic prospectuses. But additional issues may arise.

Information in text form remains the frame of reference for many investors when assessing complex disclosure information. At this stage, the ASC considers that electronic prospectuses should convey information material to the investment decision predominantly in text form. Audio or video presentations of prospectus information may give rise to additional issues.

The Policy Statement allows issuers to accept electronic applications for securities. Relevant to any issuer's decision to accept electronic applications are developments in facilities for electronic payments.

#### NEED FOR RELIEF

Authorisation by the ASC to distribute electronic prospectuses is in the form of class order relief from relevant provisions of the Corporations Law. That issuers need relief to distribute electronic prospectuses flows from uncertainty about the application of the Law in three main areas.

1. 'Copy' question The Corporations Law requires that any prospectus distributed to investors is a 'copy' of the original lodged with the ASC (section 1020). There is uncertainty in some situations whether an electronic prospectus is a 'copy' of the paper prospectus lodged, so that distributing it may contravene section 1020. If an electronic prospectus is not a 'copy', an issuer who distributes it may also contravene requirements for promoting an offer of securities (section 1025). The electronic prospectus itself would not normally comply with these requirements.

2. Securities hawking The Corporations Law prohibits securities hawking (section 1078). A person may not go from place to place offering securities for subscription. 'Going from place to place' includes sending an electronic prospectus by electronic mail. It is less clear whether making available an electronic prospectus on an Internet site for people to access if they wish to do so contravenes section 1078. A person is allowed to make an offer made in (or accompanied by) a prospectus sent by post (regulation 7.12.17(b)). The prohibition on securities hawking does not prohibit an issuer from sending electronic prospectuses on disk or CD-ROM by post, but it does prohibit sending an electronic prospectus by electronic mail.

3. Form requirement A prospectus must be printed in a prescribed font of minimum size (section 1021(2)). It is likely that this requirement applies both to the paper original prospectus lodged and to the prospectus distributed. An issuer who distributes an electronic prospectus may contravene section 1021(2) because the section refers to printed type. Also, the issuer may not comply with the size and font requirements if it does not control size and font when the electronic prospectus is displayed on the investor's monitor.

Although issuing electronic prospectuses is restricted by the current Corporations Law, an electronic prospectus is a 'prospectus' as defined in section 9. All provisions in the Law applying to prospectuses generally apply to electronic prospectuses. This includes prospectus liability provisions.

#### Conditions

An issuer may distribute electronic prospectuses under the following conditions:

paper prospectus lodged - a paper prospectus attached to (or, for debentures, accompanied by) an application form is lodged with the ASC. (The issuer may continue to distribute paper copies of the prospectus lodged in the usual manner in accordance with the Law);

(Table Omitted)



application form accompanied by electronic prospectus - the issuer takes reasonable steps to ensure that the investor receives an application form attached to or accompanied by an electronic prospectus (or a paper print out) before applying for securities. The ASC does not exhaustively prescribe the ways in which electronic prospectuses may be made available to investors. But in taking such reasonable steps the issuer may distribute the application form and the prospectus in the same electronic document file; or the issuer may use another electronic mechanism to verify that the investor received the prospectus before applying for the securities. The ASC's view is that there is a greater risk in the electronic than the paper environment that the investor will receive the application form without a prospectus. Because of this, the ASC requires that the issuer provides in the application form for a declaration by investors that they have received the electronic prospectus or a print out of it;

complete and untampered prospectus - the issuer takes reasonable steps to ensure that a complete electronic prospectus is received by the investor and that the electronic prospectus is protected from tampering;

accepting applications - the issuer does not accept an application for securities if it has reason to believe that the investor did not receive an application form attached to or accompanied by an electronic prospectus or that the electronic prospectus was incomplete or altered;

same information as paper prospectus lodged - the electronic prospectus received by the investor contains the same information in the same sequence as in the paper prospectus lodged with the ASC except for some limited differences. The differences include a facility to search defined expressions used in the prospectus, prompts to encourage investors to read the prospectus and electronic links to documents incorporated by reference under section 1024F;

free paper copy prospectus - on request, the issuer provides a free paper copy of the prospectus lodged. This is to ensure that investors have genuine access to the information in the prospectus. At this stage, some investors may not be able to use an electronic prospectus as effectively as a paper prospectus. This may be because of differing capabilities of personal computers and printers;

promotional material - the electronic prospectus and any promotional material must be made available in a way that encourages investors to make decisions on the basis of the prospectus rather than on the basis of promotional material or pressure selling. Promotional material must be presented so that investors are not confused whether they are reading the prospectus or promotional material. Electronic links directly from the prospectus to promotional material will not be allowed;

copy of electronic prospectus to ASC - the issuer provides to the ASC a copy of the electronic prospectus. This is so the ASC remains aware of the level and circumstances of the use of electronic prospectuses. The electronic prospectus (as opposed to the paper original) will not be lodged (or registered); and

updating information - the investor receives any necessary updating information before the investment decision is finalised. The issuer has the same choice in the electronic as in the paper environment whether to distribute a supplementary or replacement prospectus. The Corporations Law, ASC relief and conditions on that relief will apply to electronic supplementary or replacement prospectuses. There will be additional requirements where an issuer provides an electronic notice following receipt of an application form which is not current (section 1024E).

People other than the issuer (for example, investment advisers) may wish to pass on the electronic **prospectus**. The application form must draw attention to the fact that the Corporations Law prohibits any person from

passing on to another person the application form unless it is attached to or accompanied by a complete and untampered **electronic version** of the **prospectus** lodged or a print out of it.

It is important for experts (including accountants) whose statements appear in the prospectus, that investors receive a complete and untampered electronic prospectus containing the same information in the same sequence as the paper prospectus lodged. Under section 1032, a prospectus containing an expert's statement may not be issued unless the expert has consented to the issue of the prospectus with the statement included in the form and context in which it is included. Where the issuer wishes to distribute a prospectus in paper and electronic form, the relief will require that the consent relates to both forms.

Nothing in the Corporations Law prevents an issuer publishing a notice in electronic form stating that investors wishing to invest must do so on the basis of a paper copy of the prospectus lodged with the ASC (provided the notice complies with section 1025).

Policy Statement 107 also deals with issues raised by cross-border offers of securities using electronic media, both offers of foreign securities to Australian investors and offers overseas by Australian issuers.

(Table Omitted)

Captioned as: Society Online

Author Affiliation:

Andrew Fawcett is a Senior Legal Officer in the Regulatory Policy Branch of the Australian Securities Commission.

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ABSTRACT: Successful technology transfer (T2), the application of a technology beyond its place of origin to another place for the same or a different purpose, is a process composed of five major activities: technical scouting, marketing, assessment, transfer related activities and finding experts to help with all of the above. Advice and a variety of information resources are provided for persons involved in a technology transfer process.

TEXT:

Fulfilling the Information Needs of Technology Transfer  
Even in this modern age, it is still difficult to introduce a new technology successfully. Xerox had problems commercializing the computer mouse that it had acquired by hiring inventor Doug Engelbart from Stanford Research Institute. It wasn't until Steve Jobs and Steve Wozniak transferred this technology again, to Apple Computer, that it became a success. Could appropriate information have helped quicken the process? What information is needed to help new technologies succeed, and how or where can it be obtained?

This article provides an introduction to fulfilling the information needs of technology transfer (T.sup.2). First, (T.sup.2) will be defined, with a list of the major (T.sup.2) activities needing informational support. Tips and perspectives from some of the players involved will be followed by a resource list. Finally, tips and references for searching to support major (T.sup.2) activities will be included.

A good definition of technology transfer is: "A process in which technology originated in one place for one purpose is used elsewhere, for either the same or a different purpose." Technology can be defined as "the information required to produce and sell a product or service" (1). (T.sup.2) typically involves the following steps: discovery, evaluation, acquisition, adaptation, and implementation (2). Transfer mechanisms span the spectrum from simple disclosure and licensing to joint ventures and research agreements, and from hiring an outside specialist to acquisition of another company. A number of players are involved in (T.sup.2), including governmental and related organizations, universities and research institutes, large and small companies, and inventors and entrepreneurs.

GOVERNMENT RELATED ORGANIZATIONS IN (T.sup.2)

Historically, U.S. government related (T.sup.2) often concerned agriculture, since the 1862 federal land grant university system established organized agricultural research and development efforts. Other historical (T.sup.2) efforts often involved transfer from developed nations to less developed nations, either with or without government involvement. NASA started promoting commercialization of its research and development (R&D) activities in the early 1960s, and the Federal Laboratory Consortium (FLC) began (T.sup.2) outreach activities by 1976.

Recent laws mandated the promotion of federally funded technology to

the public sector, from both research institutions and universities (Bayh-Dole Act of 1980) and federal laboratories (Federal Technology Transfer Act of 1986). The National Competitiveness Technology Transfer Act of 1989 allowed industry access to additional national laboratories operated by contractors, such as Lawrence Livermore National Laboratory (3). In the federal sector, technology is often transferred via Cooperative Research and Development Agreements (CRADAs). Provisions for technology commercialization are often built into government research funding, including such programs as Small Business Innovation Research grants (SBIR) and the Advanced Technology Program (ATP).

Many government organizations now support (T.sup.2), including more than 600 federal labs, NASA's six Regional Technology Transfer Centers (RTTCs), the Department of Agriculture's library centers, DOD's information centers, and the National Technology Transfer Center (NTTC). Robert Schwarzwald suggested some good search strategies in his TECHNOPHILE column "Government Technical Information--Online, on Disc, and on the Internet" in the June/July 1996 issue of DATABASE, pp. 82-85. For more information, see the sources and tips here and in Martin Zeller's sidebar.

#### THE UNIVERSITY INVOLVEMENT IN (T.sup.2)

Early university technology licensing programs were often outgrowths of either the legal or the sponsored projects offices. The Stanford University Office of Technology Licensing (OTL), started in 1970 by Niels Reimers, used a pioneering marketing-based approach that became very successful and widely emulated. Most universities and research organizations now have (T.sup.2) policies or offices in place.

The Stanford OTL reviews 160 to 180 invention disclosures a year, and recommends pursuing patents for perhaps 30 percent of them. More than half the ensuing patents are eventually licensed: OTL's gross royalty revenue was \$39 million in 1995.

Jon Sandelin, Stanford OTL Senior Associate, explained their approach:

We try to determine if a given invention has commercial potential. Should we invest our time and money to pursue an invention? What are the potential markets and market share? Who are the players? If we do decide to proceed, we'll then try to find licensees.

Our most important source of information comes from our inventor. They know very well which companies would be interested, because companies make it their business to find out who's working in areas they're interested in. It's a mutual relationship, with company representatives and inventors often meeting at conferences. We supplement this with standard sources, such as Corp Tech, Thomas Register, directories, trade organizations, journals, and associations in the areas of interest.

We may use database searching to try to find our industry experts and companies to market to, or to evaluate the patentability of an invention. Inventors tend to be very current in terms of literature but not necessarily aware of patents, so our prior art searching tends to focus on patents. We're finding that there are more and more sources for free on the World Wide Web.

#### TIPS FROM INDUSTRY

Industry (T.sup.2) efforts usually have a technology scouting focus as well as the evaluation and marketing interests shared by government-related organizations and universities. Many companies realize they must investigate all possible sources of technology to cope with increasing global competition and decreasing product life cycles.

Technology scouts are specialists who "search for technologies to supplement companies internal R&D efforts" (4). Some tech scouts are consultants, but many work for corporations and spend some or all of their time on (T.sup.2) activities.

Merrill Brenner is Manager of Technology Outreach for Air Products & Chemicals, Inc., a \$3 billion technology company with 14,000 employees. His two-person technology scouting department scans about 75,000 items per year and forwards 700 items to internal researchers. Of those, perhaps 20 items become "big hits," and between one and five items "lead to money-making new ventures" (5).

Brenner looks for early stage R&D efforts to which Air Products can

contribute, and keeps a database of company research interests. Brenner explained: "We're meant to be a proactive service... Give them info they can't resist--that's how we get over the 'not invented here' problem." Brenner believes in the advantage of early contacts: "The best stuff is often verbal from people and connections, before it's written down--nobody else has seen it. I get a lot of stuff from people at conferences but the best thing is to expose people to Air Products, and when their next invention disclosure comes through they might think of us and give it to us before anyone else. That's the real gold mine."

Brenner continued: "A lot of tech scouts are a hundred percent oriented to networking and are turned off if someone tells them the answer is databases--but you really have to use everything. Newsletters oriented to new technologies and products get such breadth because they have hundreds of sources **feeding** into them--they're your safety net. Databases and the Internet are less oriented toward browsing but are very good for getting additional information and background for things you may have heard of elsewhere." Another tip Brenner suggested was that scouts determine the top research institutions in their area of interest, and then contact the respective technology licensing offices directly.

#### TIPS FROM A PUBLISHER

Newsletter publishers and (T.sup.2) database vendors emphasize communicating information about new technologies. Ken Kovaly, President of Technical Insights, Inc., publisher of ten general and industry specific newsletters, explained his approach:

"All the technology in traditional databases is old. We're looking for new technologies first emerging from the lab. We go to conferences. We track patents as they issue. We're constantly talking to people at industry, government, and university labs about their research. We go to a lot of meetings. We track papers in the journals to try and spot significant developments. We have a specialist who surfs the Net everyday trolling for technology."

Kovaly also mentioned getting a prospectus from every small technology company that goes public. Kovaly continued, "We think our information should be read week after week by people interested in the field to get their best value from it. It's almost like an ongoing training session to keep the technical people abreast of advances."

#### INFORMATION SOURCE LIST

There are many sources dedicated to (T.sup.2) information, and even more potentially useful sources, from subject specific to general reference. This list is meant to provide examples and pointers for further research rather than attempt to offer a complete guide. See the references and the professional literature for more information, especially Hanne and Zeller's articles (6) and the Technology Access Resource Directory (mentioned later), which include more extensive lists and notes. Prices for access to the sources here vary greatly--heck with providers for specifics.

Many (T.sup.2) organizations and university offices have Web home pages, often with other material including access to various databases and links to other related sites. Since URLs are subject to frequent change, readers are encouraged to search for updates.

#### ORGANIZATIONS

Federal Laboratory Consortium (FLC)

P.O. Box 545, Sequim, WA 98382; 206/683-1005; <http://www.zyn.com/flc/>

Maintains lab and expertise locator network, and publishes a monthly newsletter.

National Technology Transfer Center (NTTC)

316 Washington Avenue, Wheeling, WV 26003; 304/243-2455; <http://iridium.nttc.edu/nttc.html>

Databases of available federal technologies, federal lab descriptions, SBIR solicitations; also includes a referral service.

NASA Regional Technology Transfer Centers (RTTCs)

Call 800/472-6785 to find which center services a particular area or see <http://iridium.nttc.edu/inventions/rttc.html>

NASA also has a Commercial Technology Network Home Page at <http://nctn.hq.nasa.gov/>, and also publishes several magazines including NASA Tech Briefs (NTB), available online (<http://www.knowledgeexpress>).

com/ntb/).

Other federal departments have useful Internet resources, such as DOD's Office for Technology Transition (<http://www.dtic.dla.mil/techtransit/>) and DOE's Industrial Competitiveness and (T.sup.2) home page (<http://www.doe.gov/html/techtran/t2home.html>).

Association of University Technology Managers (AUTM)  
49 East Avenue, Norwalk, CT 06851; 203/845-9015; [autm@ix.netcom.com](mailto:autm@ix.netcom.com);  
<http://www.crpc.rice.edu/autm/>

Publishes manuals of practice, a newsletter and journal, and (T.sup.2) surveys; Web site has useful links to university technology offices, available technology lists, and other resources.

University of Washington Office of Technology Transfer  
<http://cary.u.washington.edu/ott/ott.html>

Included here as an example of a university (T.sup.2) Web site with useful links and other information.

Licensing Executive Society (LES)  
1800 Diagonal Road, Suite 280, Alexandria, VA 22314-2840;  
703/836-3106; [leshq@aol.com](mailto:leshq@aol.com); <http://www.les.org/>

Annual meeting; also offers seminars and courses; publishes quarterly journal, les Nouvelles.

Technology Transfer Society  
435 North Michigan Avenue, Suite 1717, Chicago, IL 60611;  
312/644-0828; [102234.166@compuserve.com](mailto:102234.166@compuserve.com)

Nonprofit, with annual meetings, quarterly journal, and monthly newsletter. Local chapters have more activities. For example, see the Washington, DC area chapter (<http://millkern.clm/washtts/>) or the Wheeling Jesuit College chapter (<http://www.nttc.edu/t2s.html>).

Society of Competitive Intelligence Professionals (SCIP)  
1700 Diagonal Road, Suite 520, Alexandria, VA 22314; 703/739-0696;  
[scip@dc.infi.net](mailto:scip@dc.infi.net); <http://www.scip.org>

Provides seminars and conferences focused on obtaining and analyzing competitive intelligence; publishes a quarterly journal and monthly newsletter.

Technology Utilization Foundation  
317 Madison Avenue, New York, NY 10017-5391; 212/490-3999;  
[us033236@interramp.com](mailto:us033236@interramp.com)

Organizes annual conferences with a future year in the title, with workshops, available technologies, funding, and partnering opportunities.

#### ONLINE DATABASES

It might seem that almost every database could have some application to (T.sup.2), but there are some specifically oriented to the (T.sup.2) activities outlined earlier. For locating research labs, two directories are available in print or online: Bowker's Directory Of American Research and Technology (on ORBIT) and Gale's Research Centers and Services Directory (on Knight-Ridder Information, KRI). The Federal Laboratories Database (FLD) contains information on 2,000 federal labs, facilities, centers, and expertise, and is available from Mid-Atlantic Technology Applications Center, 823 William Pitt Union, Pittsburgh, PA 15260; 800/257-2725; (<http://oracle.mtac.pitt.edu/WWW/fld.html>).

Some online services aim specifically at the (T.sup.2) information market--here are the most useful for U.S. searchers.

Knowledge Express Data Systems (KEDS)  
One Westlakes, 1235 Westlakes Drive, Suite 210, Berwyn, PA 19312;  
800/529-5337; <http://www.knowledgeexpress.com>

Specifically designed to enhance the identification of new opportunities for technology commercialization and business development, KEDS provides access to a number of databases, some exclusively, covering (T.sup.2) and licensing opportunities, SBIR grants, company needs, capabilities, and industry information and news. KEDS has a proprietary front end with multifile and relevance searching capabilities and a fiat-rate pricing structure. KEDS's Internet gateway allows access to LES, NTTC, NTB full text, techno-1 archives, and other files.

Community of Science, Inc. (COS)  
1615 Thames Street, Suite 104, Baltimore, MD 21231-3446;  
410/563-3446; <http://cos.gdb.org>

Offers a mostly U.S. university faculty expertise database, formerly entitled BEST North America; also includes inventions, facilities, U.S. patent information, funding opportunities, U.S. federally funded research, Canadian information and BioWorld online. Databases are offered on a domain-enabled basis on the Internet, with transparent access to company-wide end-users. A variety of pricing options are available.

Klenner International, Inc. P.O. Box 1748, Ormond Beach, FL 32175; 904/673-4339

Produces International Technology & Business Opportunities database (formerly Licensable Technology Data Base). Contains over 30,000 worldwide technologies available for licensing. Marketers note that technologies will be listed for free; fees to search the database vary.

There are also databases aimed specifically at supporting (T.sup.2); the following are some examples:

National Technical Information Service (NTIS)  
5285 Port Royal Road, Springfield, VA 22161; 703/487-4600;  
<http://www.ntis.gov>

Research reports, U.S. Government owned patents available for licensing; available on a variety of services (DataStar/KRI, ESA-IRS, Ovid, Questel. Orbit, SilverPlatter, STN). Also produces Federal Research in Progress (FEDRIP) database.

Techlink DataBase from Technology Targeting, Inc. (TTI) 833 S.W. Sunset Boulevard, Suite 46, Renton, WA 98055; 206/227-8088

Lists tech marketing prospects at companies who've requested inclusion; available mainly to nonprofit tech originators, although 1 access is available to for-profit companies for an additional fee.

Other databases listing available technologies include ESA-IRS's ESA Technology Transfer Database (European aerospace technologies) and Questel Orbit's Transin (lists both technologies offered and requested, from a variety of locations, in French and English).

The **NewsNet** service has a number of sources of interest, including:

- \* Federal Technology Report (policy issues and business opportunities at U.S. federal labs)
- \* Technology Alert (worldwide developing technology information)
- \* Technology Transfer Week ((T.sup.2) news and events in government, academia and industry)
- \* Innovator's Digest
- \* Inside NIST

Many databases specialize in coverage of specific geographic areas. Japanese information can be obtained from Japio, JICST-EPlus, Comline (JPNews) and JGRIP, available on Chemical Abstracts' STN (CAS/STN), with some available from other services as well. There's also a Web site (<http://www.netaxs.com/aengel/JapanSciTechDirectory/>), which has links to Japanese R&D organizations. Other databases with a specific geographic focus include DataStar's European business databases and FIZ databases from CAS/STN.

Many, many more databases can be helpful. CorpTech and Thomas Register can help find companies, while databases such as Commerce Business Daily and Scan-a-Bid can help find business opportunities. Use directories and vendors' catalogs to identify databases covering different areas of technology.

#### INTERNET RESOURCES

Techno-L LISTSERV: Forum for (T.sup.2) professionals, many university-affiliated. Discussion often concerns licensing issues. To subscribe, send email to [majordomo@erg.sri.com](mailto:majordomo@erg.sri.com), leaving subject line blank and including the phrase subscribe Techno-L in the body of the message. Archives are available at the Knowledge Express Web site.

There are many useful Web sites, including Thomas Register at <http://www.thomasregister.com:8000/>. Some additional useful sites with good resource lists and links include:

- \* Federal Web Locator: <http://www.law.vill.edu:80/>
- \* Technology Transfer Central: <http://www.website.net/techtran.html>
- \* Technology Transfer Clearinghouse:  
<http://www.technology.org/market/ttrans.html>

## TIPS

The best overall tip is to keep up with all the professional literature--that of information specialists, the technical fields of interest, and (T.sup.2) itself. Attend conferences and seminars. In the information field, vendor and database producer training sessions often provide useful techniques, suggestions, details and comparisons. Realize that some of the subjects involved, such as business and patent searching, are themselves demanding specialties requiring study.

Of course, (T.sup.2) searchers should be thoroughly familiar with the capabilities of online systems. Commands that sort on a given field by frequency of occurrence--such as RANK on DIALOG and analogs on other systems--can be invaluable. After a suitable subject search, RANK or its analogs can be used to identify databases, journals, authors and/or institutions of interest. There are applications for these commands in almost every aspect of (T.sup.2) searching. However, be aware of any limitations in both the original subject search, and the coverage or scope(s) of the database(s) searched.

### Tips for Tech Scouts and Marketers

Don't rely on a few broad terms to search for a particular concept, but consider all the ways it can be described. Use a lot of synonyms. An emerging technology may be so new that there are no standard terms, accepted descriptions, or indexing yet.

In business databases, and in databases of technologies offered for sale or license, technology is often classified and indexed by application. There may well be other applications for the technology than those originally envisioned. A valve can be used in a pump or a compressor, or fluidic or hydraulic control systems, or even in medical applications. These applications may be indexed or described differently, and should all be searched to ensure more complete retrieval.

To augment term searching, use the special indexing and unique fields available on many files. Search the product and industry indexing on Business & Industry, PROMT, and ABI/Inform. Also, searching the conference proceedings field on Compendex and the research fronts field on SciSearch can be very useful.

Conference proceedings, which are covered in many files to different extents, can be very good sources of new technology. Dissertations can also be good technology sources. Use "people sources": Brainstorm with engineers and technical specialists--or generalists--familiar with a wide range of technologies and the specific terms for technology in each discipline.

Directories can help locate appropriate databases, but be aware of inconsistent indexing. While the Gale Directory of Databases can be useful, the "Technology Transfer" subject index listed "Inspec" but not "Compendex," a very comparable file. Search multiple sources; vendors' online documentation and database descriptions could also yield databases worth searching.

Patents can be an excellent source of technology. One of my more straightforward (T.sup.2) information successes involved searching U.S. patents with a simple term strategy. Patents on robotic tactile sensing mechanisms were quickly and inexpensively found and the requester happily entered negotiations with assignees.

There is a special series of published U.S. patent applications (numbers start with six million) based on federally funded research that are available for licensing--get details from NTIS. But, as Nancy Lambert has cautioned, remember that not all applications result in patents.

Use a broad strategy when searching for technology markets. Companies might be interested in strengthening their competitive position by acquiring products collateral to their current line.

### Tips for Tech Assessment--Patents

When researching intellectual properties for (T.sup.2), patent searches can help answer the following questions:

- \* Are we free to use this technology if we purchase it, or would we be infringing any other patents?
- \* Is this patent valid, or is there prior art, which might be grounds for invalidation of the patent?
- \* Is the patent still owned by the people trying to sell it to us?



- \* What is the state-of-the-art in this field?
- \* Are there competing technologies that might lessen the value of this technology?

Patent searching is a rather involved and complicated art. See the professional literature for a more thorough treatment of this specialty, including the writings of R.E. Buntrock, S.M. Kaback, N. Lambert, and E.S. Simmons. A recent overview was provided by E.S. Simmons and S.M. Kaback in "Patents (Literature)," Kirk-Othmer Encyclopedia of Chemical Technology, 4th Ed., Vol. 18, Wiley, April 1996, pp. 102-156. There are also a number of texts on the subject (7). Other articles focus on specific areas in patent searching. For example, a recent article by E.S. Simmons, "Patent Family Databases--10 Years Later" (DATABASE, 18, No. 3, June/July 1995), sheds light on an important and often confusing subject.

A number of databases, including INPADOC, Claims/Reassignment & Reexamination, and the Patent Status file, can provide information on what has happened to a patent after it's been published or granted. For more information, see N. Lambert's article "After the Grant: Online Searching of Legal Status Information for U.S. Patents," DATABASE 14, No. 4, August 1991, p. 42.

Some of the best patent indexing is normally only available to subscribers, such as the special indexing in IFI's Claims/Uniterm or Derwent's subscriber-only coding. If the search is important and you don't have access to this indexing, you may be able to hire the database producers to perform the search.

Tips for Tech Assessment--Competitive Intelligence (CI) and Business Information

This information is used in (T.sup.2) to determine the worth of a technology: what would the market and competition be for the technology, whether the technology is worth patenting, or marketing, and other cost/benefit calculations.

There is a staggering amount of business and market information available online. This includes full-text trade information sources and newspapers, industry and product trends, market data, industry statistics, predictions, private and public company profiles and background, and financial information. Articles on how to search for this information are published regularly in the information professionals' literature. Courses and seminars are available from services, database producers, professional associations and colleges. Some of the techniques mentioned previously could also be useful here; Some more tips and citations follow.

It's important to understand the basic field of business and finance, M. Ojala's articles are particularly helpful, including "Competitor Data for the Business Plan" (DATABASE 18, No. 5, Oct./Nov. 1995, pp. 82-84), "Due Diligence for your Business Plan" (Online User 2, No. 1, Jan./Feb. 1996, pp. 12-18), and "Retrieving and Creating Market Research Reports" (Business Information Alert 8, No. 6, June 1995, pp. 1, 4-5). See also articles by M.E. Bates, R. Basch, and A. Kassel, among others. SCIP, mentioned in the organization list, is an excellent source of material on searching for CI. There are also a number of standard texts on CI (8).

There's a good amount of CI available on the Internet. Many public companies have financial information available on **EDGAR** (<http://www.sec.gov/edgarhp.htm>); companies' home pages and catalogs could also be useful. One useful technique is searching Usenet newsgroups using DejaNews to find comments by employees of a company as well as what is said about the company and its products.

Other articles on topics especially important to (T.sup.2) searching include M. Ojala's "Exploring Joint Ventures Online" (ONLINE, May/June 1996, pp. 56-58), and C. Matthews' "Venture Capital Financing: Linking Investors and Entrepreneurs" (Business Information Alert 8, No. 4, April 1996, pp. 1, 4-5, 11).

Two additional search tips for business information come from KRI's Beverly Crane. Be aware of British terms, such as the use of "brand share" instead of "market share," and "turnover" instead of "sales." Also, remember that market research reports are product oriented, while investment or stockbroker reports are company oriented.

Tips for Transfer Related Activities

The best tip is to investigate the resources listed above. Join professional associations, take classes, use the AUTM standard practice manuals, and participate in the LISTSERVs.

#### Tips for Finding Experts

An excellent article, J.E. Schumacher's and D.R. Dolan's "Tracking Down Experts with Online Resources" (DATABASE, June/July 1995, pp 14-20), includes sources, strategies, search terms and tips. Also see D. Rachlin's article, "Locating Experts on the Internet," in The Internet Lawyer, Sept. 1995, pp. 6-7.

One tip is to avoid the "small world" problem when choosing an expert by being aware of any potential conflicts of interest, especially in emerging fields of technology and other narrow subject areas. R. Berkman and R. Basch suggest trying to find experts who can answer "why" questions as well as "what" and "how much" in The Information Advisor 7, No. 11, Nov. 1995, p. 8. The Web site, "Investigative Journalism on the Internet," (<http://www.vir.com/sher/julian.htm>), has links to help locate experts as well as other good searching tools and tips.

#### General Internet Tips

Use Web search engines to find updated or new Internet resources, but remember, information on the Internet is often unevaluated. Learn about the different search engines, their scope and the correct techniques to use. Follow links from the Web pages mentioned in the source list above. Find areas relating to a particular technology or subject, such as Murcia's organometallic chemistry site (<http://www.scc.um.es/gi/gqo>) or Engineering Information's Ei Village (<http://www.ei.org>).

#### Final Tip

Not all applications for technology are obvious. Certainly Jobs and Wozniak contributed their own vision to what they saw of the computer mouse interface at Xerox. How many people could have seen what eventually became the wonderfully useful 3M product, "Post-It" pads, in a polymer with strange semi-sticky properties?

Information professionals can use their unique experiences and skills to advantage when searching for (T.sup.2) information: imagination and creativity in finding synonyms, classifications, and indexing; using analogies and thesauri to track similar information structures; and of course eclectic knowledge, curiosity and perseverance. As Albert Szent-Gyorgi said, "Research is to see what everybody else has seen, and to think what nobody else has thought."

#### (T.sup.2) FOR SURVIVAL

In (T.sup.2), the stakes can be very high. Income from licensing and return on research investments are becoming increasingly important to companies and researchers. The pace of technological change is also increasing; companies can't count on succeeding tomorrow with the products of today. A company's survival may depend on how well it performs (T.sup.2).

Searching for (T.sup.2) information can be very challenging. Larger (T.sup.2) projects often require information in many of the areas mentioned. The author recently participated in several teams--business, legal and scientific--involved in evaluating a company for potential acquisition. The candidate company had a leading role in a particular chemical technology with more than 60 patents. It was necessary to combine competitive and business intelligence with information on the state-of-the-art in the technical field of interest. Time was at a premium; it was important to use every advantage. Fortunately, the searches were successful: needed information was found and used to reach a good decision.

The benefits of providing (T.sup.2) information can also be great. Results may well be more quantifiable than in regular, more diffuse literature searching. You can point to a product or technology and say, I helped make that happen. So, fulfilling the information needs of (T.sup.2) can be very challenging, but also rewarding--your input and added value can help change the world.

#### ACKNOWLEDGMENTS

I've long been interested in information for (T.sup.2), and I appreciate the help I've received for this article from many different sources: Knight-Ridder Information, Inc. for online access, April Thatcher,

Nancy Lambert, Paula Hane, Marty Zeller, Michael Odza, Leslie Fisher, Ron Rodrigues, Ron Kaminecki, Dave Abercrombie, Bill Tucker, other respondents quoted above and also those whose comments couldn't be included, and many other colleagues and vendors I've spoken with over the years. Of course, I am responsible for any mistakes.

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- (8) L.M. Fuld, Competitor Intelligence (Wiley, 1985); L.M. Fuld, Monitoring the Competition (Wiley, 1988); J.M. Kelly, How to Check Out Your Competition (Wiley, 1987).

Also see FIND/SVP, Analyzing Your Competition (FIND/SVP, 1992), and a Series Of useful books by Washington Researchers (2612 P Street, N.W., Washington, DC 20007, 202/333-3533).

Other works on the subject of (T.sup.2) range from theoretical--E.M. Rogers, Diffusion of Innovations, 4th Ed., Free Press, 1995--to the practical--Steinke, Cynthia, ed., Technology Transfer.' The Role of the Sei-Tech Librarian, Haworth, 1991 (republication of Science and Technology Libraries 11, No. 2, 1990).

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#### INFORMATION NEEDED TO SUPPORT FIVE MAJOR (T.sup.2) ACTIVITIES

1. Tech Scouting--Searching for specific technologies to buy or license.
2. Tech Marketing--Searching for buyers for a technology, the inverse of tech scouting; also searching for collaborators, joint venture or development partners, or for investors or venture capital to fund a specific technology.
3. Tech Assessment--Evaluating technology, aimed at answering the question "what is this technology worth?" Includes research of any intellectual properties, and market and competitor assessments.

4. Transfer Related Activities--  
Information about the transfer process itself, such as licensing terms and practices, contracts, conducting negotiations, and how to do the transfer most successfully.
5. Finding Experts--To assist in any of the above areas. A common saying in the field is, "(T.sup.2) is a contact sport."

#### A TECHNOLOGY TRANSFER CENTER IN ACTION

The Far West Regional Technology Transfer Center (FWRTTC), established in 1992 at the University of Southern California, is one of six Regional Technology Transfer Centers funded by NASA. The FWRTTC's primary goals are to identify opportunities for NASA to develop viable technology in collaboration with commercial partners and to facilitate the execution of agreements that lead to the use of NASA-developed technology for commercial purposes. The FWRTTC serves as an agent, or broker, promoting mutually beneficial relationships between technology consumers--such as individual companies or entire industry groups that are developing commercial products, processes, and services--and NASA, whose research laboratories constitute a vast storehouse of technology resources and expertise.

As a broker, the FWRTTC serves two sets of clientele. On one hand are industrial clients whose technological needs drive a demand for NASA technology. The FWRTTC calls this demand-driven approach to technology transfer "technology pull." On the other hand are ten NASA Research Centers for whom the FWRTTC serves as a promotional agent, actively pushing promising technology out into the commercial marketplace. The FWRTTC calls this approach to commercialization "technology push." The Information Services department of the FWRTTC provides basic information retrieval, analysis, and delivery services in support of overall FWRTTC goals and plays an important role in both technology pull and push activities.

#### TECHNOLOGY PULL

The FWRTTC has a long history of working with corporate industrial clients seeking technology to solve technical problems or develop new or improved products, processes, or services. In almost five years since its founding, the FWRTTC has assisted more than 500 industrial clients on a total of nearly 1,900 projects. In a typical case, a company will ask the FWRTTC for help in addressing a particular technology issue. Information Services staff, along with FWRTTC Project Managers, conduct a thorough interview with company representatives to determine their technological needs and specific areas of interest. After the company and FWRTTC agree on the scope of work for a project, one of the first steps is to conduct an information search to identify what technology and expertise exist within the NASA resource base relevant to the company's needs. Electronic resources used in a typical project include traditional bibliographic databases, such as NASA/RECON (soon to be replaced by RECONPlus, a client/server implementation of NASA's Scientific and Technical Information database), NTIS, Federal Research in Progress, the Aerospace Database, and various patent sources, such as CLAIMS/U.S. Patent Abstracts and Derwent World Patents Index. Other useful electronic sources include the U.S. Patents database from MicroPatent on CD-ROM and NASA Tech Briefs, SBIR Awards, and Federal Laboratory Technology databases from Knowledge Express Data Systems.

NASA has been active in making scientific and technical information available via the World Wide Web. The NASA Scientific and Technical Information Program Homepage (<http://www.sti.nasa.gov/>) has links to the Center for Aerospace Information Technical Report Server (CASI TRS) and its RECONSelect database of over two million references to technical reports, the open aerospace literature, and the NASA Thesaurus.

In some cases the raw result of an information gathering exercise driven by technology pull constitutes in itself a deliverable product to the corporate client but in many cases it does not. When it is not the final deliverable, FWRTTC staff review the collected information with the corporate client and outline additional steps the FWRTTC will take in pursuing promising sources of technology identified through the search. These steps allow the FWRTTC to recommend appropriate means to acquire relevant technology from NASA, thereby adding significant value to the raw search results. The FWRTTC serves its corporate, technology pull clients on a cost recovery basis. Charges for the Information Services phase of a typical project range from \$100 for a search of the NASA/RECON system to \$1,000 and more for broad or complex searches involving commercial databases, such as the NTIS and patent files. These fees cover online and labor costs.

#### TECHNOLOGY PUSH

In typical technology push mode, the FWRTTC helps NASA Research Centers identify promising technologies and then promote those technologies to the right audience of potential commercial users. This involves gathering information that helps to target individual companies or entire industries with active or potential interest in commercial use of particular NASA-developed technologies. This is a role to which the FWRTTC Information Services Department is well suited. Starting with a detailed description of a specific technology, Information Services staff search technical, patent, and trade and business sources to locate literature by and about companies working in the same or similar areas of technology development. Popular databases for such projects include NASA/RECON, INSPEC, Compendex Plus, Chemical Abstracts, Metadex, NTIS, Trade and Industry Database, PROMT, and various patent sources. Firms identified in these sources are added to a compilation of organizations to be targeted in a focused technology promotion campaign conducted by the FWRTTC. Groups of carefully selected SIC codes or other industry classification devices are frequently used to compile mailing lists of companies in targeted industries from various corporate directory databases. CorpTech, D&B-Dun's Market Identifiers and D&B-Dun's Electronic Business Directory are useful databases for this purpose.

The value the FWRTTC brings to technology push clients (the NASA Research Centers) is the ability to conduct comprehensive, targeted technology promotional campaigns. Information Services activities play a supporting role in a much larger process designed to deliver that value. Consequently, the raw results of technology push information gathering efforts typically do not constitute a deliverable to the client. Instead they are used most commonly internally by other FWRTTC staff in preparing promotional literature and outreach campaigns for specific NASA technologies. There is generally no charge to the NASA Field Centers for work done by the FWRTTC, including Information Services activities, in pushing selected technologies into the commercial arena.--Martin Zeller

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#### PUBLICATIONS

\* R&D Magazine (formerly Research & Development, published by Cahners Publishing Co. (a division of Reed Publishing USA), editorial: P.O. Box 5080, Des Plaines, IL 60017; 703/635-8800) Monthly; highlights technical and engineering innovations, products, materials, and research processes.

\* Technical Insights, Inc. (P.O. Box 1304, Fort Lee, NJ 07024-9967; 201/568-4744; <http://www.insights.com>) One of the original (T.sup.2) newsletter publishers, with eleven newsletters in specific areas of technology in paper and electronic formats; also publishes reports in specific areas of technology.

\* Technology Access Report (published by University R&D Opportunities, Inc., 8 Digital Drive, Suite 250, Novato, CA 94949-5759; 800/733-1516; [modza@techaccess.com](mailto:modza@techaccess.com); <http://pomo.nbn.com/home/tar/>) This monthly newsletter has been called "a core resource" and "the (T.sup.2) professional's Swiss array knife"--also contains an excellent annotated (T.sup.2) resource directory, links, articles, and news.

\* Technology Transfer Business (published by TechNews, Inc., 8500 Leesburg Pike, #7500, Vienna, VA 22182-3932; 703/848-2800; editor's email: rbarrett@technews.com) Quarterly covering a broad range of (T.sup.2) news.

BROKERS/CONSULTANTS

\* FIND/SVP (625 Avenue of the Americas, NY, NY 10011-2002; 212/645-4500; <http://www.findsvp.com/findsvp/index.html/tiglc29>) Consultants and analysts, specialists in business information anti industry analysis; affiliates in other countries provide good access to foreign company information; now available on an ad hoc, project basis as well as the more traditional subscription service.

\* Nerac (One Technology Drive, Tolland, CT 06084; 860/872-7000; nerac@nerac.com) Literature searching, has many in-house databases; originated as a NASA-affiliated resource, now an independent nonprofit organization available by subscription only.

\* Technology Catalysts International (TCI, 605 Park Avenue, Falls Church, VA 22046; 703/237-9600) Offers a range of (T.sup.2) services, including technology identification, evaluation and transfer, strategic alliance assessment, and competitive intelligence and assessment.

\* Teltech (2850 Metro Drive, Minneapolis, MN 55425-1566; 800/367-8358; <http://www.teltech.com>) Offers consulting, experts list, literature searching; formerly only available by subscription but now available on a project basis with ad hoc pricing.

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INDUSTRY CODES/NAMES: LIB Library and Information Science; BUSN Any type of business

DESCRIPTORS: Technology transfer--Management

PRODUCT/INDUSTRY NAMES: 9912618 (Information Gathering-External); 9914420 (Product Development)

FILE SEGMENT: TI File 148

3/9/3 (Item 1 from file: 148)  
DIALOG(R)File 148:Trade & Industry Database  
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08729874 SUPPLIER NUMBER: 18353654 (THIS IS THE FULL TEXT)  
Where's EDGAR today? Finding SEC filings online. (Electronic Data Gathering,  
Analysis and Retrieval)  
Bates, Mary Ellen  
Database, v19, n3, p41(10)  
June-July, 1996  
ISSN: 0162-4105 LANGUAGE: English RECORD TYPE: Fulltext; Abstract  
WORD COUNT: 6491 LINE COUNT: 00496

ABSTRACT: The SEC's EDGAR (Electronic Data Gathering, Analysis and Retrieval) database, available via the Internet, provides access to corporate 10-K filings. The database offers menu-driven searching and sufficient online documentation. But some searchers, those needing instant access to filed documents, for example, need to access EDGAR documents through one of the several commercial databases that offer enhanced services. Various online sources of EDGAR documents are reviewed.

TEXT:

Remember the good old days? A loaf of Mrs. Wright's bread only cost a dime, but if you wanted to read Mrs. Wright's corporate 10-K for a dime, you had to either write the company and ask that a copy be mailed to you or live close enough to the U.S. Securities and Exchange Commission that you could read tile 10-K there (1).

Jamie Love of Ralph Nader's Taxpayer Assets Project lobbied for years to make SEC filings and other government data available to the public. The SEC began developing a program in 1983 to enable corporations and other entities required to file documents with the SEC to do so electronically. This program, called EDGAR or Electronic Data Gathering, Analysis and Retrieval, began accepting electronic filings in 1992. Since May 1996, all companies subject to the SEC's filing requirements are required to submit their forms electronically. However, when the EDGAR project began, the SEC had no plans to make the information available to the public instead allowing dissemination to be handled by Mead Data Central (now LEXISNEXIS), the contractor responsible for much of the development of the EDGAR system.

EDGAR GETS WIRED

Due to the efforts of the Taxpayer Assets Project, the National Science Foundation funded a two-year pilot project in October 1993 to determine the feasibility and costs of providing Internet access to EDGAR data. The service was managed by New York University's Stern School of Business and the database management was subcontracted out to the Internet Multicasting Service (2). This experimental project became a huge success, handling requests for between 10,000 and 20,000 documents each week--remarkable considering that the database only contained filings from about 30 percent of publicly-traded companies.

Perhaps the most endearing quality of the EDGAR test project was the notice displayed every time you logged on:

Pay attention to this: Because this is a research project you should expect the data formats to change, the access methods to change, and you should expect fluctuations in the numbers and types of users and services supported. Do not become addicted to your favorite protocol or you may have to go cold turkey. (...)

It was always a pleasant surprise to see that the only way the access methods changed was by constant improvement in the protocols supported and

search engines available. The EDGAR test project went from supporting only FTP and email access, both fairly painful to use, to offering WWW and gopher access as well.

The funding for the test project ended in October 1995. After some prodding and last-minute budget squabbles, the SEC agreed to take over the responsibility of providing and maintaining Internet EDGAR access. Electronic filings are available from January 1994 forward. It should be noted that not all documents filed with the SEC need be submitted electronically. The annual and quarterly financial filings, 10-Ks and 10-Qs, are available. Annual reports to shareholders need not be submitted to the SEC, although many companies do so voluntarily. Some filings such as Forms 3, 4, 5, 13-F, and 114 need not be filed electronically; however, if they are filed on EDGAR they are made available to the public in the EDGAR database.

And where were the commercial database providers during this development? Disclosure Inc., the primary contractor for providing commercial access to SEC data, has adjusted to the new marketplace, as have several other specialized online information providers. Realizing that they can't compete on cost (what's cheaper than free?), these vendors are focusing on providing the added value that highend customers need. In the new spirit of marketing-by-giving-something-away, Disclosure and Global Securities Information Inc. are making some subset of EDGAR data available for free over the Internet while selling access to features for which users will be willing to pay.

So, why should anyone use a commercial service to obtain EDGAR documents? Well, it depends on what you need and how fast you want it. If you need to identify companies with revenue over \$5 billion, or copies of 10-Ks filed before 1994, or you need to see a filing the instant it is available, you'll need to pay for it. On the other hand, if you're preparing for a sales presentation or looking up the balance sheet of a stock you're considering buying, the Internet version of EDGAR will probably meet your needs (3,4).

#### SEC EDGAR

The SEC's EDGAR site (<http://www.sec.gov/edgarhp.htm>) is a remarkably flexible service, considering the SEC's mandate to make the information available at minimal cost to the agency. The searching is menu-driven and there is adequate online documentation available. In addition to WWW access, you can get to the SEC server via gopher (<gopher://gopher.sec.gov/>) and FTP (<ftp://ftp.sec.gov/>).

Documents are available on the SEC site 24 hours after they are filed with the Commission. You can look up a company's ticker symbol or CIK (Central Index Key) number, retrieve a list of all filings from any single day in the past month, or get a hypertexted list of all 10-Qs filed today. You can also download in bulk all documents filed on a given day.

The primary search technique, though, is to free-text search the document "heading." See Figure 1 for an example of the searchable area of a filing. You can look for companies with SIC code 3695, or companies in ZIP Code 90025, or for any filings from Certron. However, SEC EDGAR does not allow searches by field, so a search for SIC code 3695 will also retrieve filings from companies with "3695" in their address.

SEC EDGAR supports fairly complex searches--truncation, Boolean searching and nested logic but keep in mind that you're still just searching plain text, not fields. So, for example, I could search for filings made in December 1995 or January 1996 (199512\* OR 199601\*). If I try a search for 10-Ks filed by companies with SIC codes in the 4800 range (10-K AND 48\*), I would retrieve all 10-Ks filed by companies with an address, ZIP Code, IRS number, or SIC code beginning with "48."

As-is, or "raw," EDGAR filings include a number of SGML (Standard Generalized Markup Language) codes that enable them to be printed and viewed properly on the WWW. See Figure 2 for an excerpt from an EDGAR filing with SGML codes highlighted. You probably don't want those codes to appear when you print the document directly from the screen or from the downloaded document. And, if you're not careful in your formatting, the text will wrap around from one line to the next, making for unreadable tables and columns.



Fortunately, a freeware software program is available that converts raw EDGAR text to a WordPerfect document, with SGML codes stripped off, the type set to a narrow font, and section headings displayed in bold. This program, EDGARCVT, is available on the SEC site (<ftp://ftp.sec.gov/edgar/Tools/edgararc.exe>). Download EDGARARC.EXE and then type EDGARARC. This will extract the executable EDGARCVT file along with configuration files and documentation. This is an elegant little program that does one thing well and meets an obvious need.

#### Evaluation of SEC EDGAR

If you don't need to do complicated field searching and if you don't mind converting the raw data into a more user-friendly format, SEC EDGAR is probably all you need. The site itself is seldom unavailable, the searches are fast, and the interface is straight-forward. You can search by a number of criteria and you can monitor filings by day. This site is not appropriate for investment companies and other organizations that need access to the information the same day it is filed. Nor is it appropriate for users who need to select and download only selected parts of filings--if you want to export the balance sheets of a number of companies into a spreadsheet, you will probably find that it's more cost-effective to use a commercial vendor's version of EDGAR.

One final note on the SEC site: the Commission issued a Request For Information in January 1996 discussing alternative methods of processing, disseminating and pricing EDGAR data. They are considering evolving the document structure to support additional HTML commands or a PDF format (Adobe Acrobat's Portable Document Format). In addition, they are considering whether to continue the 24-hour embargo on Internet availability of filings or to make the data immediately available to public Internet users. Watch the SEC site for future developments.

#### EDGAR AT NEW YORK UNIVERSITY

New York University's Stern School of Business managed the original Internet EDGAR project. Although the SEC launched its own EDGAR site, NYU has continued to make EDGAR documents available through its server as well. This service is sponsored by Disclosure, Inc. and has a link to Disclosure's home page should you need to obtain copies of documents not available on the EDGAR database. The primary purpose of the NYU EDGAR site (<http://allan.stern.nyu.edu/tools.shtml>) is to offer an alternative to the SEC site, particularly during the busy weekday period between 9:00-5:00 Eastern time. The NYU site does not have some of the background files the SEC site maintains, such as information on the various forms and SEC News digests, but offers most of the searching tools available on the SEC site. As with the SEC site, filings are available 24 hours after they have been received by the SEC.

43  
44  
45 You can search by ticker symbol, company name, filing type, and by date. The primary distinction between this site and the SEC's EDGAR search tools is that you are not searching the full header here. That means that you cannot search by ZIP Code or SIC code. You also can't combine search concepts in a Boolean search statement--you're limited to the forms NYU provides;

These forms include:

- \* ticker search
- \* company search
- \* company and filing type search
- \* form search
- 54 \* form and date range search
- \* analysis of filings made within the prior five days
- \* **prospectus** search
- \* Schedule 13-D search

This site is a fine alternative to the SEC site, provided you don't want to use search criteria in combinations not provided for in NYU's tool kit. As of February 1996, NYU was promising the ability to search by Zacks major and minor industry codes soon.

Just as the SEC EDGAR site does, NYU offers a conversion utility to strip off SGML coding from raw EDGAR documents. This shareware program, developed by Next Generation Software Inc., converts EDGAR filings to Word for Windows documents. You can download the software at <ftp://ftp>.

xmission.com/pub/users/g/gastown/outgoing/NEXTGENSFT/edgar2w.exe. The cost to register the software is \$19.50.

#### Evaluation of NYU EDGAR

As with SEC EDGAR, this is a fine source for basic research and look-up of company information. It's almost always up and running, it's easy to search, and it offers flexibility in search criteria. You won't want to use NYU EDGAR if you need access to today's filings or if you need to conduct complex searches.

#### DISCLOSURE--THE POWERHOUSE OF SEC FILINGS

Disclosure Inc. has been packaging and selling SEC filings and related financial data since 1968. In addition to electronic databases of financial information, Disclosure maintains an archive of SEC filings, annual reports, and other documents filed at the major stock exchanges.

Disclosure's best-known online databases include:

- \* Disclosure SEC Database: financial information compiled from SEC documents and annual reports--available on DataStar, DataTimes, DIALOG, Dow Jones News/Retrieval, LEXIS-NEXIS, CompuServe and on CD-ROM

- \* SEC Online: pre-EDGAR SEC filings--available on DIALOG, Dow Jones News/Retrieval, LEXISNEXIS, and on CD-ROM

- \* EdgarPlus: EDGAR SEC filings and SEC Online data--available on LEXIS-NEXIS and on CD-ROM

- \* Access Disclosure: index of SEC and other company documents that can be purchased from Disclosure--available on LEXIS-NEXIS and on CD-ROM

Disclosure also offers hard-copy delivery of SEC filings and other government agency documents. For the purposes of this article, I will focus on Disclosure's EdgarPlus product; note that its other online and CD-ROM products are often based on the information from these SEC filings.

EdgarPlus is a value-added version of the electronic SEC filings and, in its online version, a collection of pre-EDGAR filings as well. Disclosure makes EdgarPlus filings available online two to ten days after filing--a more significant delay than the SEC's Internet site. The LEXIS-NEXIS version of EdgarPlus offers streamlined access to filings and the associated exhibits and attachments.

Part of the delay in making EdgarPlus documents available is the fact that Disclosure adds significant indexing to the documents. Besides retrieving filings by company, filing form or date, you can search for filings by Fortune 500 companies with a primary or secondary SIC code of 4513--Air Courier Services, with fiscal years ending June 30. You can search specific parts of text fields as well, so you can look for proxies from companies that have executive compensation contingent on the executive meeting specified performance goals, or information on companies with pending complaints filed with the Equal Employment Opportunity Commission. In addition to the obvious advantage of being able to search for specific fields, the EDGAR documents themselves have been stripped of the SGML coding so you have documents that are close to presentation quality without having to be run through a conversion program. In addition, Disclosure has added supplemental information in a standardized format. See Figure 3 for an example of the company profile information on an EdgarPlus document.

EdgarPlus is available on LEXISNEXIS under the file name EDGARP in libraries ACCTG, BANKNG, COMPNY, CORP, FEDSEC, M&A, PENBEN, and STSEC. It is also available on CD-ROM, updated monthly. The online file uses the standard LEXIS-NEXIS search and display commands; the cost per search depends on the type of subscription you have. The database includes all EDGAR filings from April 1993 forward.

The CD-ROM database uses the same software that other Disclosure CDs use; it provides both menu-driven searching and a DIALOGlike command mode. Unfortunately, due to the large size of the documents, the database must be broken out into separate CDs, which cannot be searched simultaneously. Disk one has filings from January through March 1995, disk two has filings from April through June, and (as of February 1996) disk three has filings from July 1995 through January 1996. A search for any filings in 1995 meeting a certain criterion must be run three times--once in each of the three disks. Another serious limitation of the CD-ROM version is that only 10-Ks, 10-Qs and proxies are included. The subscription cost for the CD-ROM product for commercial customers is \$4330 for monthly updates or \$3500 for quarterly

updates.

Disclosure also promotes the availability of EDGAR documents on its America Online site (keyword: Disclosure). Unfortunately, this does the "real" EDGAR database a disservice, as the information available on AOL is only a small portion of available EDGAR filings. You can select an icon on the Disclosure main screen labeled "EdgarPlus 10-Ks and 10-Qs" (note that this does not even include the proxies available on the CD-ROM product). You are then prompted for the company name or ticker symbol. Portions of the retrieved 10-K or 10-Q are displayed, although it is not clear from any of the help screens that what you are seeing is not actually the complete filing. This is particularly misleading for inexperienced researchers who have heard of EDGAR and assume that the Disclosure version is the real McCoy. The AOL version is also surprisingly out of date. Filings submitted three months earlier are still not available electronically, although they are included in the "SEC Filings List" provided by Disclosure to assist users in ordering hard-copy documents directly from Disclosure. So, the AOL version is inadequate, incomplete, and not kept current. This is particularly disappointing given Disclosure's usual high quality and its status as the premier supplier of SEC documents. Use this version of EDGAR at your own risk.

#### Evaluation of Disclosure's EdgarPlus

EdgarPlus in its current configuration is probably best suited for researchers who need to perform more complex searches than a straightforward look-up by company name or ticker symbol. Users who need fixed price access and those who do not already have a flat-rate contract with LEXIS-NEXIS may consider using the CD-ROM version. Keep in mind, though, that you can't run a single, comprehensive search for a year's worth of data on CD; you must conduct the search on each of the portions of the database. This means that you can't sort the data very efficiently--if you want to find the ten largest employers who offer SEP-IRAs (Simplified Employee Pension--Individual Retirement Account) you would have to collect the data from three different disks, combine the information offline and select the largest companies. Another limitation of the CD-ROM version is that you can only search 10-Ks, 10-Qs and proxies. The CD-ROM database should only be used if you need to do look-ups--identifying companies that meet specific criteria. The structure of the database does not permit easy analysis of the retrieved data.

The LEXIS-NEXIS online version of the data is more flexible in terms of searching--you have a single database in which to search. The online version also includes all document types dating back to April 1993. Of course, if you need to provide off-line access to the data, either via a LAN or on a standalone terminal, the CD-ROM format is preferable. For either the online or CD-ROM formats, EdgarPlus still has a lag before the information is available--a month for the CDs and between two and ten days for the online version. Disclosure is expected to announce a link by which subscribers can get more current information on companies' SEC filings through an Internet home page; the announcement was scheduled to be made after the deadline for this article.

#### ACCESS DISCLOSURE--BACK TO THE 60s

What do you do if the filing you want is either prior to 1993 (the beginning of the EdgarPlus collection) or has been filed within the past week or two (and not available on the EdgarPlus online database)? Disclosure has addressed those needs with an innovative product, Access Disclosure. This is an elegantly-designed system on LEXIS-NEXIS (with an equivalent version on CD-ROM) that lists all SEC filings by a company from 1968 forward. You can search Access Disclosure (LEXIS-NEXIS library COMPNY, file ACCESS) by Company, city, state, SIC code, filing type, ticker symbol, and so on--by any of the search fields that are standard across filings. Since this is essentially a pointer file, you can't search by revenue or by any other criterion that would be found within a specific filing. An abbreviated version of Access Disclosure, only dating back the past couple of years, is available on America Online via keyword Disclosure.

#### MOODY'S COMPANY DATA WITH EDGAR

Moody's has taken a different approach to providing EDGAR filings to its subscribers. It already provides company information on CD-ROM in a

clearly-designed format. This Company Data product now comes with a supplementary disk of EDGAR filings, with each filing linked back to the Company Data record. You start with the primary record, select EDGAR filings from the menu, and you're then presented with a list of available EDGAR filings. These filings, on the supplemental disk, can be displayed as-is with the SGML coding or in a "cleaned" version with the codes stripped off and the document reformatted.

In addition to the material on the monthly CD, you can take advantage of Moody's EDGAR Dial-in service to get updated filings. This is a nice feature that has set Moody's service apart from its competitors. Note that Disclosure is expected to roll out a similar program.)

Since the EDGAR filings are an add-on to the Company Data CD, most of your searching needs to be done through the primary indexes within the Company Data database rather than by searching the EDGAR indexes directly. You can search the EDGAR filings by a single criterion at a time--company name, CIK number, filing date, or filing type--but if you need to combine search criteria or use other criteria, such as SIC code or revenue, you need to use the Company Data indexes. An unfortunate result of this is that if you want to find, for example, all 8-Ks filed in December 1995, you would have to either get the index of filings sorted by date and then scan for 8-Ks or get the index of filings sorted by filing type and then scan for those filed in December 1995.

A very useful feature of Moody's version of EDGAR is the ability to create charts and graphs based on the information in the Company Data record. See Figure 4 for an example of one of the available graphs.

The EDGAR filings index goes back to 1993 and includes all filings, 13-Ds, 13-Gs, S-8s, and so on. The entire index is searchable at once, that is, you can scan for all filings from 1993 forward at a single pass. The actual filings are delivered monthly; each month's worth of filings are on a separate disk. You will wind up with quite a number of CDs; the advantage, of course, is that you now have a collection of all the filings at your fingertips.

The yearly subscription to Moody's Company Data is \$6000 plus \$995 for the EDGAR data. Dial-up service for EDGAR data is \$5/hour. You can also purchase prior years of EDGAR data for \$995/year.

#### Evaluation of Moody's Company Data With EDGAR

One of the best features of Moody's EDGAR product is the availability of all EDGAR filings on CD-ROM. You can search the index of all filings at one time. Using the Company Data records, you can search by a wide variety of criteria--full text, for specific ratios, for specific financial fields, such as selling and marketing expenses or depreciation, by security rating, and so on. The company records themselves are nicely formatted and the EDGAR filings are available in a cleaned-up, reformatted version as well as in the raw SGML format as filed at the SEC. You have a lot of flexibility in designing searches, displaying and exporting data, and analyzing the data.

The one disadvantage of Moody's software is its nonintuitive user interface. The initial screen is confusing, and it is not obvious that your primary searches must be run at what's called "The Information Desk." Your first thought, if looking for EDGAR files, is to pull down the menu labeled "EDGAR." Unfortunately, this takes you out of the Information Desk, and from within the EDGAR menus you can only search by company name and CIK rather than by all the other search fields available at the main screen. This system would be difficult to introduce in a library or other setting where nonexperienced users would have access to the system. Most firsttime users are likely to throw their hands up in frustration rather than decipher the fairly cryptic menus.

Although this is a fairly expensive service, you're paying for an exceptional amount of data available on your desktop. With the addition of online access to current filings, Moody's Company Data with EDGAR provides the best combination of currency and back files. Researchers who need to have a full database of EDGAR filings will find that Moody's is an excellent resource.

LIVEDGAR

Global Securities Information Inc. (GSI) subscribes to the principle

of giving a little away for free in hopes of attracting paying customers for the value-added features of the for-fee service. You can search the live, up-to-the-minute EDGAR files at GSI's Internet site. These filings are more current than the SEC site, as they are not embargoed for a day as the SEC data are. You can search the full text of filings or search by specific fields--company name, CIK number, SIC code, state of incorporation, month of fiscal year end, or address. You can also search for text anywhere within a record. The filings are displayed with SGML coding removed and the documents formatted for presentation quality.

A nice feature of GSI's LIVEDGAR service is its pre-formatted searches. You can search for "live filings" (i.e., today's filings as they appear). This gives you a real sense of immediacy. I logged on at 11:35 and, sure enough, saw documents listed that had been filed at 11:30. You can search for specific types of proxies--context proxies, proxy proposals for special meetings, or proxies with new plan benefit tables, for instance. You can search for "poison pill" filings, designed to deter hostile takeovers, and you can search for information on employee stock option plans, bonus plans, executive retirement plans, and so on. These preformatted searches offer a lot of added value and they make using EDGAR files much easier for those of us who aren't familiar with the exact terminology used to describe a particular corporate event. All of these search features are available to both subscribers and non-subscribers.

You must use GSI's proprietary browser to access **LIVEDGAR** and you must have a SLIP/PPP account with an Internet access provider. You can **download** GSI's browser from its home page (<http://www.gsionline.com/>). GSI's software is quite easy to use and, once you are a subscriber to GSI's service, allows you to print or **download** retrieved records to your local PC.

So why pay GSI when you can search the real-time EDGAR file for free? Two answers--**downloading** and access. The only way you can access **LIVEDGAR** is with GSI's proprietary software, and GSI's software does not permit **downloading** or printing until you establish a subscription. You can see the results of your search and can read the material on the screen, but the software blocks you from printing or **downloading** unless you type in your subscriber ID and password. GSI also claims that there is a limited number of ports available for free log-ons and that subscribers will experience fewer blockages. I have not experienced any problem logging on as a guest; however, guest access may become more of a problem as the system becomes more popular.

Subscriptions to LIVEDGAR are very reasonable, considering that you gain up-to-the-minute access to filings. You pay \$10 per search session plus \$1 per minute with no monthly minimum or service fee. Provided you're able to do several searches during a session, this is a very cost-effective way to get live filings. It also may be worth the cost for users who need to search for specific actions a company is taking, and who need more search access points than those offered by SEC's EDGAR database: Subscribers are also able to designate a billing reference for each search, facilitating charge-backs for search expenses.

GSI also offers a Watch service for in a request of your search criteria and you will be notified; by email whenever a document meeting those criteria is filed. You can use any of the searchable fields for your Watch to watch for companies with Certain SIC codes, those with fiscal years ending on a certain month, and so on. The email notification includes the cover page or section of the document in which your search terms appear. The cost for the Watch is \$50 per email address per month; the fee is waived if your total LIVEDGAR charges for the month are at least \$50.

#### Evaluation of GSI's LIVEDGAR

GSI is one of the few "try before you buy" online services. You have an opportunity to try out the search features, review the display options and check for currency. In fact, if you're just looking for a list of filings or for a bit of information from a particular filing, you can take advantage of the free version of **LIVEDGAR**, using a screen capture utility to save a screen's worth of data. If you need to **download** or print the documents, though, it's worth the cost to subscribe. Since **LIVEDGAR**'s records go back to the beginning of the EDGAR project in

1993, the files are more comprehensive than the SEC's EDGAR files, which only date back to January 1994. I like the canned searches that enabled me to search for specific types of proxies, and I like the fact that I have access to real-time data. One disadvantage of this version of EDGAR is that you cannot select which portions of the filings to **download** as you can with Moody's or Disclosure. Also, you cannot search by ticker symbol, a surprising omission. In general, however, GSI is a cost-effective way of getting today's filings today. If you need more search power or more currency than the SEC's EDGAR database, this is one of the least expensive alternatives.

#### EDGAR ONLINE

One of the newest entrants is EDGAR ONLINE, produced by Cybernet Data Systems. Like LIVEDGAR, you can search EDGAR ONLINE on an Internet web site for free (<http://www.edgar.online.com/>). However, if you want to see the documents you've retrieved, you need to subscribe to Cybernet's for-fee Version of the EDGAR ONLINE service.

As with LIVEDGAR, this is a real-time feed; you can get access to filings minutes after they are accepted by the SEC. You can set up an Alert service, although the service is more limited than its competitor. You submit a list of companies you want monitored (and, if desired, the filings of those companies in which you are interested) and you are notified, either by email or fax, when a filing by that company has been received. Unfortunately, you cannot set up a watch for any companies that match other criteria, such as type of filing, location or SIC code.

EDGAR ONLINE is a fairly new service established in mid-1995. Its Web page is a bit confusing and the prompts are not intuitive. To search the back files, for example, you click on "access today's filings." Unfortunately, your search options are severely limited. You must search by company name and the only limitations on the search are by broad date ranges--filings within the past 90 days, filings since January 1, 1995 and filings since January 1, 1994. You cannot search or limit by filing type or by specific day; you cannot search by SIC code, location, or any of the other search criteria allowed on other EDGAR vendors.

The subscription options for access to EDGAR ONLINE are:

- \* \$9.95/month (you must pre-pay for three months of service) for three filings or Alerts per month; additional filings or Alerts \$4.95 each
- \* \$49.95/month for 20 filings or Alerts per month; additional filings or Alerts \$4.25 each
- \* \$99.95/month for 50 filings or Alerts per month; additional filings or Alerts \$2 each

The displayed documents are stripped of SGML coding and can be printed or downloaded.

#### Evaluation of EDGAR ONLINE

Unfortunately, this service is not ready for prime time. Yes, you have access to today's filings today, and they will notify you of filings when they arrive, provided you want to monitor filings of a certain company. But you can't monitor incoming filings by any criterion other than company name nor can you search the database by any field other than company name. For this you have to pay a minimum of \$29.85, which entitles you to only three filings or Alerts per month for three months; each time your Alert turns up a filing you are charged for one of your three allotted Alerts. The only added value EDGAR ONLINE provides is the ability to access the real-time feed to see filings as soon as they are accepted. Searching the back files of EDGAR data is actually more primitive than using the free search service on the SEC's Internet site.

EDGAR ONLINE is the most cost-effective service if you need to monitor a few companies and you need to be alerted the moment those companies submit an EDGAR filing to the SEC. However, if you need to do any other searching, you are better off using the SEC's site or choosing one of the other value-added providers of EDGAR data.

#### DEDICATED SERVICE

In addition to the dial-up and CD-ROM versions of EDGAR that have been described here, the high-rollers can also purchase a direct feed of all EDGAR filings, delivered as soon as they have been accepted by the SEC. The major vendors of dedicated-line EDGAR delivery are Standard & Poor's S&P

EDGAR, Disclosure's EdgarPlus, and Federal Filings' Edgar Direct. You can also purchase a feed directly from LEXIS-NEXIS, the prime subcontractor responsible for accepting, managing, and reselling the EDGAR filings for the SEC.

Obviously, this kind of service is priced out of the range of most customers, but for investment bankers, law firms and other business people needing quick access to all EDGAR filings as they are accepted at the SEC, this type of service is worth the cost. Most vendors provide some value-added features to the feed before forwarding the data to subscribers, tagging search fields, such as company name, filing type, SIC code, ticker symbol, and so on. These services usually deliver the data via a dedicated phone line or satellite dish. The information is fed into a software package that stores or distributes the documents within an organization and enables users to search for data by a variety of criteria. Costs for direct feeds usually range from \$15,000 to \$40,000 and up for a yearly subscription; well worth it if hundreds of thousands of dollars are at stake but a bit steep for the occasional searcher or for anyone who can wait 24 to 48 hours for the information.

#### WHAT TO CHOOSE?

When the EDGAR files first became available to the public two years ago, who would have expected that researchers would have so many options for accessing the information? Do you want to see filings as soon as they appear? Do you want to be able to search online to find filings back to 1993? Do you want the material on CD to facilitate its use by many searchers? Do you want all filings delivered to you automatically or do you want to retrieve them when you need them?

When the Taxpayer Assets Project first lobbied to make the SEC material available at no charge there was much hue and cry that the government was going to ruin the livelihood of those companies providing the information for a fee. Instead, it has spawned a new information industry niche in which both established players and newcomers are competing, both against each other and against the SEC's publicly-accessible site. Researchers are truly able to vote with their pocketbooks and take advantage of just the value-added services they need.

#### REFERENCES

(1) For an explanation of the various SEC forms such as 10-K or 13-G, see either <http://www.sec.gov/edaux/formsledgform.htm> (the SEC's description of forms) or <http://www.disclosure.com/company-info/filings.html> (Disclosure's description).

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NOTE: In March 1996, Disclosure rolled out Global Access--a complete online index to its print and electronic filings from 1968 to the Present (including real-time EDGAR filings). Subscribers can search Global Access through Disclosure's Internet site (<http://www.disclosure.com>) and can download electronic filings and place orders for paper filings through this site. Global Access also allows users to create a customized alert service to notify them when a company submits a filing of interest.

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PRODUCT/INDUSTRY NAMES: 7375100 (Literature Retrieval Vendors)  
SIC CODES: 7375 Information retrieval services  
TRADE NAMES: EDGAR (Online database)--Evaluation  
FILE SEGMENT: TI File 148



3/9/7 (Item 5 from file: 148)  
DIALOG(R)File 148:Trade & Industry Database  
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07605294 SUPPLIER NUMBER: 15908066 (THIS IS THE FULL TEXT)  
Everyone's a futurist: full text year in review - 1994.  
Marcus, John  
Database, v17, n6, p84(3)  
Dec, 1994  
ISSN: 0162-4105 LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT; ABSTRACT  
WORD COUNT: 2644 LINE COUNT: 00207

ABSTRACT: An overview of developments in online full-text availability is presented. In Feb 1994, SEC **EDGAR** filings were made available, at no cost, over the Internet. The documents have limited usefulness, because they do not comprise a searchable, historical database. The New York Times, previously available only on LEXIS/NEXIS, is now available on America Online, DataTimes and Dow Jones.

TEXT:

Full text is not a subject. Nor is it a medium. In describing printed literature that is available in an alternative electronic form, and in distinguishing between bibliographic databases and source databases, "full text" is merely a convenience term. This column will thrive only as long as the current transition stage between what once was, and what will be, continues.

I refer to the serials publishing industry. Over the last year we have continued to be overwhelmed not only by the number of information sources becoming available electronically in full text, but also by the different ways in which full-text sources once transmitted only via paper and ink are now being disseminated. A publishing industry once frightened by full text has now embraced it. Many publishers are joining trailblazers like McGraw-Hill and the Washington Post in the ASCII world of online databanks, while others shun its Plain Jane simplicity and develop interactive GUIs on CD-ROM, complete with hypertext. But despite the growth of full-text availability, it is still safe (at this moment) to predict that the end of print waits patiently in the distant future. (After all, was it not the parent company of the first full-text provider, Mead Corp., which decided this year to get rid of Mead Data Central in order to concentrate on its paper-making business?) And while it is impossible to sit back at the end of the year and take a snapshot of what is essentially a moving target, I can at least recount here a few of those new additions to the full-text universe that have occurred since the latter half of 1993, while attempting to identify some trends.

NEW FULL-TEXT SOURCES

The most talked about full-text source of the year is SEC **EDGAR** filings, made available for free in February over the Internet. I had decided to draw some loose borders around the idea of full text as it is used in this column, limiting its coverage to periodical literature, and ignoring monographs, directories and documents. Despite that, I feel compelled to mention **EDGAR** here, even though it is likely being discussed in year-end reviews of Internet and business information sources, because:

- 1) SEC filings are traditionally a print source, many issued periodically (in the case of annual reports, 10-Ks, 10-Qs and proxies);
- 2) many online services offer SEC filings databases side-by-side with their full-text periodical databases; and
- 3) the limitations of **EDGAR** on the Internet help illustrate the

benefits of conventional ASCII full-text databases.

**EDGAR** on the Internet is a boon to many users of company financial information, but it will have little effect on the online services and CD-ROM publishers, which have previously offered the full text or abstracted versions of SEC filings. Dow Jones News/Retrieval, DIALOG, LEXIS/NEXIS, Investext's I/PLUS Direct and other databanks have all offered the SEC Online database made up of **EDGAR** and scanned non-**EDGAR** documents, and/or Disclosure's database of abstracted SEC information. With the ability to screen and manipulate sets of information, SEC Online and Disclosure will still have a place as long as **EDGAR** on the Internet is limited to pick-and-grab file transfers. **EDGAR** on the Internet is ideal when one requires the occasional document for which one would rather not pay a lot. Otherwise, its usefulness to the professional searcher is dubious. (You need 15 annual reports? Better not need your modem for anything else today!)

In this way, **EDGAR** is something like the consumer online services offering current issues of certain magazines and newspapers, or the Electronic News Stand site on the Internet. These are all examples of electronic full text of printed documents, but they are not historical, searchable databases. Because some publications are offered less than cover-to-cover, because graphic material is usually omitted, because the editorial personality and integrity can be lost in its generic context, ASCII full text is sometimes criticized as a cannibalization or at least a poor replacement for original print publications. But that argument ignores the new dimensions full-text databases bring to otherwise limited research tools. If the current issue of the Wall Street Transcript (covered in the August DATABASE) were available on, say, Prodigy, it might provide a useful current awareness service for investors. But as it appears and is manipulated on DataTimes and Dow Jones News/Retrieval, it becomes a powerful research tool offering access to a wealth of company and industry information direct from Wall Street, searchable and sortable in a myriad of ways, providing equal parts currency and history. The ASCII full-text database, as a total retrieval system, is an index, a source, and a delivery mechanism all in one. **EDGAR** and the current periodicals are simply one-dimensional sources sitting on a virtual shelf.

#### ALL THE NEWS THATS FIT TO CLIP

The full-text source taking second prize for hype of the year is the New York Times, long available exclusively via LEXIS/NEXIS but now also made available via Dow Jones, DataTimes and America Online. If your organization is on the cutting edge of customized news delivery using services such as Dow Vision, you can now view today's news from the New York Times, Wall Street Journal and dozens of other sources seamlessly within a window on your desktop PC. But if you want to search the New York Times as a source publication for a research topic, you still must have access to LEXIS/NEXIS.

The Times got around its exclusivity clause with Mead Data Central and is now offering the full text of the paper on a same day only basis to Dow Jones and the others, which are prohibited from archiving it. Dial-up users of Dow Jones News/Retrieval can search the current day's edition of the paper in//Text 14 (where it sits for 24 hours on the virtual shelf), or view clipped stories on selected subjects in //WIRES or //CLIP. It will be interesting to see how the pending sale of Mead Data Central will further affect electronic access to the nation's premier news source.

#### IT'S A SMALL WORLD AFTER ALL

The horde of international sources coming up online over the last year should not have surprised anyone. Suppliers are only **feeding** demand. Two converging phenomena, the globalization of trade and the computerization of the globe, have resulted in a sudden availability of international sources in full text. My column in the October DATABASE reviewed some of the more general news sources coming out of Europe and Asia. Indeed, searchers seeking information on Asian current affairs, business, and economics--especially on Hong Kong and China--are now very well served by the Far Eastern Economic Review (available on Dow Jones and DataTimes) and the South China Morning Post (available on Dow Jones, DataTimes and DIALOG). Other Asian news sources coming up recently include

Asiamoney (on ABI/INFORM), Telenews Asia (on PROMT and PTS Newsletter Database), and Pacific Affairs (Academic Index on DIALOG and Data-Star).

Europe's news and business publications became more accessible in 1994 with the new link between DIALOG and Data-Star, the Switzerland-based online service. Prominent sources added to the major U.S. services include Business Europa (available on PROMT and PTS Newsletter Database), Russia's Business Intelligence Bulletin (on DataTimes and Dow Jones), and La Vie Francaise (the French language business weekly now on NEXIS).

Just as French was once the language of international diplomacy, English is the language of international business. Because the majority of online users have historically been English speakers, it is still rare to find foreign language material loaded on the big online services. And because translating full text would be a massive undertaking for publishers of any magnitude, the international full-text universe remains biased heavily in favor of source material from English-speaking countries and countries where sizable English-speaking business communities exist, such as Hong Kong and the Middle East. (It is notable, however, that Reuter's Textline database provides English-language abstracts of articles from non-English sources.)

#### INDUSTRIAL STRENGTH FULL TEXT

The increasing availability of trade and industry journals and newsletters has been the quietest but perhaps the most vigorous growth area in the full-text landscape. We take these new additions for granted. Indeed, who among us has not been shocked to find that a sought-after trade source--say, Lawn Furniture Age--is not actually available online in full text. We flip through our hated piles of documentation, browse through our much-loved copies of Fulltext Sources Online, and then shrug, trying to remember how we did things once upon a time before we became so spoiled.

It would be folly to try to review every Coal Tech International, every Airline Marketing News uploaded this year for the first time. You will find them when you need them. But it would do to mention that searchers in need of drug and drug industry information are now very well served by the additions of Unlisted Drugs (File 140), Drug GMP Report (File 158), R&D Focus and R&D Drug News (File 445), Drug News and Perspectives (File 455), Drugs of the Future (File 453), and Drugs of Today (File 454) to the DIALOG catalogue. (And don't forget Drug Resistance Weekly on **NewsNet** or the Food & Drug Law Journal on Westlaw.)

#### NEWSPAPERS AND THE CONSUMER ONLINE SERVICES

The panoply of local, regional and national newspapers continues to expand online. A comparison of the news/current events index in the July 1994 edition of Fulltext Sources Online with the edition 12 months prior reveals a 17% increase in available titles. Cruising DataTimes or the PAPERS OneSearch category on DIALOG is like taking the scenic route around the country's information byways. New titles from Nashville, Syracuse, Wichita, Memphis, Dayton, Anchorage, Greensboro, and other towns give local color to the generic landscape of the U.S. of ASCII. Outside of this country, one can now travel the news from Beijing to Budapest to Victoria, B.C.

Susanne Bjorner, author of Newspapers Online (3rd. ed., BiblioData, 1995), told DATABASE recently that "newspaper librarians, who are often the people responsible for marketing in-house library archives outside the organization, have become much more savvy about getting the product out. And there is less exclusivity; most fulltext newspapers are available on more than one service, or will be as they renegotiate contracts."

"DataTimes and Mead are still adding titles," added Bjorner, "but the most notable trend in full-text newspapers this year is their availability on consumer online services. They're all over the place: CompuServe, America Online, Prodigy, the new Ziff Interchange service, local bulletin boards and the Internet." Although the consumer services have made a lot of noise about the full-text sources they have to offer, they have mostly been limited to current issues for virtual browsing, but now some are beginning to offer users the ability to search back issues. "CompuServe, with its NEWSARCHIVE, and America Online, with its San Jose Mercury News gateway to some of the old VU/TEXT papers, for example, are doing the best job of providing newspaper archives on consumer services," Bjorner said. "The back

file might not be as extensive and the search languages might not be as sophisticated as those on the research-oriented services," Ruth Orenstein (editor of Fulltext Sources Online, and, with Glenn Orenstein, of the CompuServe Companion) said, "but it is undeniable that these consumer services are getting in on the full-text act, and the number of sources available is growing."

#### OTHER TRENDS

When asked to identify any other current trends in full text, Orenstein cited the continuation of a "slow but steady improvement in vendor documentation and some serious attempts at quality control." Also improving this year was lag time--the time difference between an individual title's publication date and its online load date. More titles than ever were available with zero lag this year, and vendors offering the PTS Newsletter Database, seemingly in answer to frustrated users, announced shorter lag time availability for all its titles. And I was pleasantly surprised recently when my Dow Jones search results included same-day, zero-lag hits from two mainstream weeklies, Business Week and U.S. News and World Report. Of course, both of these magazines are available on the newsstand a few days before the official publication date on the cover, but this still represents solid evidence of lag time improvement. Only a year ago, U.S. News would have appeared online at least two weeks behind its publication date.

#### EVERYONE'S A FUTURIST

Full text is exploding. In addition to international sources, trade publications, and newspapers, there are new broadcast transcripts, professional journals, magazines, looseleaf services, and newswires going online every month. In addition to the databanks (which increased the number of full-text titles carried by 15% from mid-1993 to mid-1994, for a total of 4,945, according to BiblioData), they're also appearing in the form of customized news services using dedicated lines to deliver information directly to the desktops of end-users; they're appearing on the consumer online services; and they're showing up in multimedia formats on CD-ROM. There is also the "Electronic News Stand," the gopher-accessible site on the Internet offering access to dozens of current titles.

These days, everyone's a futurist. Publishers and media companies of all stripes have felt the pressure this last year to become part of the information highway superhype, so that they can demonstrate their up-to-dateness with a "virtual this" or an "interactive that." The rush to present their traditional products in new and unconventional ways has resulted in some experiments that fiddle with the basic fundamental purpose of the original as well as changing the form or method of delivery. Newsweek Interactive on CD-ROM, for example, is not a news weekly at all, but rather a quarterly amalgam of source material from the traditional magazine revamped with sound and video to become more of a multimedia minienyclopedia, covering selected topics in an educational presentation. What is the market for this experiment? High school libraries, maybe, but surely not the millions of people who read Newsweek for prompt and readable analyses of current events.

As the corporate mergers between information producers and communications companies continue, the media will continue to play with conventional information sources in order to make them what they think is more accessible, converting them to various electronic formats while trying to capture the imagination of the marketplace by outdazzling the competition. I have no doubt that the major online services are also using new technology to experiment with the form and delivery of traditional database services, and I wouldn't be surprised at all if they were to unveil, in the next year or so, new products that attempt to change the face of electronic full text.

But the transition stage continues. Online searchers continue to manipulate full-text databases, delivering relevant, just-in-time packages of information with speed and prudence. But meanwhile, stock in Mead Corp. continues to appreciate.

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PRODUCT/INDUSTRY NAMES: 7375100 (Literature Retrieval Vendors)  
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Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment  
Advisers for Delivery of Information; Additional Examples Under the  
Securities Act of 1933, Securities Exchange Act of 1934, and Investment  
Company Act of 1940  
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17 CFR Parts 231, 241, 271, and 276

(Release No. 33-7288; 34-37182; IC-21945; IA-1562; File No. S7-13-96)

Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment  
Advisers for Delivery of Information; Additional Examples Under the  
Securities Act of 1933, Securities Exchange Act of 1934, and Investment  
Company Act of 1940

AGENCY: Securities and Exchange Commission.

ACTION: Interpretation; solicitation of comments.

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SUMMARY: The Securities and Exchange Commission ("Commission") is  
publishing its views with respect to the use of electronic media by  
broker-dealers, transfer agents, and investment advisers to deliver  
information as required under the Securities Exchange Act of 1934 and the  
Investment Advisers Act of 1940. This interpretation is intended to provide  
guidance in using electronic media to fulfill broker-dealers' obligations  
to deliver information to customers, transfer agents' obligations to  
deliver information upon written request, and investment advisers'  
disclosure delivery obligations. The Commission also is supplementing its  
interpretive release published on October 6, 1995, with seven additional  
examples illustrating the application of that earlier release to  
information delivery under the Securities Act of 1933, the Securities  
Exchange Act of 1934, and the Investment Company Act of 1940. Finally, the

Commission is seeking comment on the issues discussed in this release.

DATES: This interpretation is effective on May 15, 1996.

Comments must be received on or before July 1, 1996.

ADDRESSES: Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Mail Stop 6-9, Washington, DC 20549. Comments also may be submitted electronically at the following electronic mail address: rule-comments@sec.gov. All comment letters should refer to File Number S7-13-96. This file number should be included on the subject line if comments are submitted using electronic mail.

Comment letters will be available for public inspection and copying at the Commission's Public Reference Room, 450 Fifth Street NW., Washington, DC 20549. Electronically submitted comment letters will be posted on the Commission's Internet web site (<http://www.sec.gov>).

FOR FURTHER INFORMATION CONTACT: Catherine McGuire, Chief Counsel, or Elizabeth King, Special Counsel, or Jack Drogin, Special Counsel (concerning Rules 10b-10, 10b-16, 15c1-5, 15c1-6, 15c2-12, and 15g-2 through 15g-9 under the Securities Exchange Act of 1934, and the release generally), 202/942-0073, Office of Chief Counsel, Mail Stop 5-10; Sheila Slevin, Assistant Director (concerning information about technology generally), 202/942-0796, Mail Stop 5-1; Michael Walinskas, Special Counsel (concerning Rule 9b-1 under the Securities Exchange Act of 1934), 202/942-0188, Mail Stop 5-1; Elizabeth MacGregor, Special Counsel (concerning Rule 11Ac1-3 under the Securities Exchange Act of 1934), 202/942-0158, Mail Stop 5-1; Alan Reed, Attorney (concerning Rules 15c2-8 and 15c2-11 under the Securities Exchange Act of 1934), 202/942-0772, Mail Stop 5-1; Michael A. Macchiaroli, Associate Director (concerning Exchange Act Rules 8c-1, 15c2-5, 15c3-2, 15c3-3, and 17a-5), 202/942-0132, Mail Stop 5-1; Jerry Carpenter, Assistant Director (concerning Exchange Act Rule 17Ad-5), 202/942-4187, Mail Stop 5-1, Division of Market Regulation; Jack W. Murphy, Chief Counsel or Amy Doberman, Assistant Chief Counsel (concerning the Investment Advisers Act of 1940 and the examples illustrating application of electronic delivery to mutual funds), 202/942-0660, Mail Stop 10-6, Division of Investment Management; Joseph Babits, Special Counsel (concerning the examples regarding application of electronic delivery to issuers other than mutual funds), 202/942-2910, Mail Stop 3-7, Division of Corporation Finance, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549.

#### SUPPLEMENTARY INFORMATION:

##### I. Introduction

On October 6, 1995, the Commission published an interpretive release expressing its views on the electronic delivery of documents, such as prospectuses, annual reports to shareholders, and proxy solicitation materials under the Securities Act of 1933 ("Securities Act"), the Securities Exchange Act of 1934 ("Exchange Act"), and the Investment Company Act of 1940 ("October Interpretive Release").<sup>1</sup> In the October Interpretive Release, the Commission directed the Division of Market Regulation ("Division") to review Rule 10b-10 and other rules it administers under the Exchange Act to determine if and under what conditions electronic delivery of information required by those rules is feasible.<sup>2</sup> Accordingly, the Division conducted a review of the rules it administers under the Exchange Act. Based on that review, the Commission is issuing this release, which expresses its views with respect to the delivery of information through electronic media in satisfaction of

broker-dealer and transfer agent requirements to deliver information under the Exchange Act and the rules thereunder. In conjunction with the results of that review, the Commission is publishing its views on the use of electronic media with respect to the disclosure delivery obligations of investment advisers and persons acting on their behalf<sup>3</sup> under the Investment Advisers Act of 1940 ("Advisers Act").

Note 1 Securities Act Release No. 7233 (Oct. 6, 1995), 60 FR 53458 (Oct. 13, 1995) (hereinafter "October Interpretive Release"). In a companion release, the Commission proposed technical amendments to certain of its rules that currently are premised on the distribution of paper documents. Securities Act Release No. 7234 (Oct. 6, 1995), 60 FR 53467 (Oct. 13, 1995).

Today the Commission is adopting these technical amendments substantially as proposed. Securities Act Release No. 7289 (May 9, 1996).

Note 2 October Interpretive Release, *supra* note 1, at 53459, n.12.

Note 3 The term investment adviser is used in the rest of this release to refer to both investment advisers and persons acting on their behalf (including any solicitor receiving cash compensation from an adviser in accordance with Advisers Act Rule 206(4)-3, 17 CFR 275.206(4)-3).

This release addresses only the procedural aspects under the federal securities laws of the delivery of information by broker-dealers, transfer agents, and investment advisers. It does not affect the rights and responsibilities of any party under the federal securities laws.<sup>4</sup> This release also does not address or affect the applicability of any self-regulatory organization ("SRO") rules,<sup>5</sup> or of any state laws. Broker-dealers, transfer agents, and investment advisers, therefore, are reminded to consider the applicability of SRO rules and state laws in connection with delivering information electronically.<sup>6</sup> The release further does not affect any rules promulgated under the Exchange Act by agencies other than the Commission.<sup>7/</sup>

Note 4 The substantive requirements and liability provisions of the federal securities laws apply equally to electronic and paper-based media. For example, the antifraud provisions of the Exchange Act and Rule 10b-5 thereunder, as well as section 206 of the Advisers Act and the rules thereunder, apply to information delivered and communications transmitted electronically, to the same extent as they apply to information delivered in paper form. See October Interpretive Release, *supra* note 1, at 53459, n.11.

In addition, broker-dealers, transfer agents, and investment advisers continue to be subject to their respective recordkeeping requirements under Exchange Act Rules 17a-3 and 17a-4, 17 CFR 240.17a-3 and 240.17a-4, Exchange Act Rules 17Ad-6 and 16Ad-7, 17 CFR 240.17Ad-6 and 240.17Ad-7, and Advisers Act Rule 204-2, 17 CFR 275.204-2.

The Commission proposed for comment amendments to the broker-dealer record preservation rule, which would permit broker-dealers to employ, under certain conditions, optical storage technology to maintain required records. See Exchange Act Release No. 32609 (July 9, 1993), 58 FR 38092 (July 15, 1993) ("Proposing Release"). At the time these amendments were proposed, concerns were expressed that optical disk images would make it difficult, from an examination and discovery perspective, to detect alterations made to handwritten records and to records containing handwritten text. To address these concerns, the Proposing Release solicited comments on the adequacy of optical disk technology to preserve handwritten records or records that contain handwritten text.

Simultaneous with the issuance of the Proposing Release, the Division of Market Regulation, with the Commission's concurrence, issued a no-action letter permitting broker-dealers to use optical disk technology immediately.



See Letter from Michael A. Macchiaroli, Associate Director, Division of Market Regulation, SEC to Mr. Michael D. Udoff, Chairman, Ad Hoc Record Retention Committee, Securities Industry Association, Inc., (June 18, 1993).

The no-action letter permits the optical storage of all paper records, including handwritten records, except those records required to be made under paragraphs (a)(6) and (a)(7) of Rule 17a-3 (proprietary and customer order tickets).

The Commission's request for comment in the Proposing Release regarding handwritten records was in no way intended to limit reliance on the no-action letter. In addition, the Commission notes that paperless order tickets (i.e., those generated by computers) may, under the no-action letter, be stored on optical disks. The Commission understands that most of the large firms generate paperless order tickets rather than handwritten order tickets.

Finally, the Commission is aware that questions have been raised regarding the application of the optical storage no-action letter. The staff of the Division of Market Regulation is prepared to discuss with interested persons any issues in connection with this letter, as well as with the Proposing Release.

Note 5 See, e.g., National Association of Securities Dealers, Inc. ("NASD") Notice to Members 95-80 (Sept. 26, 1995), NASD Rules of Fair Practice Sec.

35, and New York Stock Exchange, Inc. ("NYSE") Rule 472, which govern member firm responsibilities relating to communications with the public, including electronic communications.

In order to determine whether new guidelines are needed for the use of electronic communications, on January 12, 1996, the NYSE sent a survey to its members and member organizations regarding the use of electronic systems to communicate with customers. The NYSE asked its members to return the survey by February 15, 1996. NYSE Information Memorandum (Jan. 12, 1996). The Commission understands that the NASD intends to send a similar survey to its members.

The Commission strongly encourages the SROs to continue to work with broker-dealers to adapt SRO supervisory review requirements governing communications with customers to accommodate the use of electronic communications by broker-dealers. Because electronic delivery systems allow broker-dealers and their associated persons to freely contact the general public, as well as their clients, firms should maintain effective supervision and records of associated persons' communications to avoid potential sales practice problems. The Commission believes, however, that the SROs' rules concerning the supervisory requirements for electronic communications should be based on the content and audience of the message, and not merely the electronic form of the communication. For example, the SROs should consider whether electronic mail communications, that, as a practical matter, replace or substitute for telephone conversations, in many cases would not require advance authorization or prior supervisory review.

The Commission also recognizes that broker-dealers are concerned about the costs of maintaining electronic communications as records on a long term basis, and it intends to discuss these concerns further with the securities industry.

Note 6 Article 8 of the UCC was revised substantially in 1994, and the revisions were endorsed by both the American Law Institute and the National Conference of Commissioners on Uniform State Laws. This revised version has been adopted by 13 states. Under Revised Article 8 Section 8-102(6), parties to a transaction may "transmit information by any mechanism agreed upon by the persons transmitting and receiving the information." Revised Article 8 eliminates the current Section 8-319 requirement for a signed

writing evidencing the terms of a securities transaction.

In states that have not yet codified the 1994 amendments, a confirmation bearing the broker-dealer's letterhead or some other identifying marking, generally, fulfills that requirement. See e.g., *Kohlmeyer and Co. v. Bowen*, 192 S.E.2d 400, 126 Ga. App. 700 (Ga. Ct. App. 1972); See also *Bains v.*

*Piper, Jaffray & Hopwood*, 497 N.W.2d 263 (Minn. Ct. App. 1993) (computer generated confirmation held to satisfy the UCC requirement for a writing).

Note 7 See, e.g., Treas. Reg. Secs. 404.4(e) and 403.5(d) (rules regarding hold in custody repurchase agreements applicable to government securities brokers and dealers that are financial institutions).

Finally, this interpretation does not address the existing paper filing requirements with the Commission,<sup>8/</sup> other regulatory authorities,<sup>9/</sup> and other third parties.<sup>10/</sup>

Note 8 For example, this interpretation does not apply to any requirements to file information with the Commission in connection with registering under sections 15, 15A, 15B, or 15C of the Exchange Act as a broker-dealer, national securities association, municipal securities dealer, or government securities broker-dealer. Broker-dealers currently register with the Commission, the SROs, and the states through the Central Registration Depository ("CRD") system operated by the NASD. A redesign of the CRD system will allow broker-dealers to file uniform registration forms electronically.

In connection with the CRD redesign the Commission intends to adopt amendments to Form BD, the uniform application for broker-dealer registration under the Exchange Act. See Exchange Act Release No. 35224 (Jan. 12, 1995), 60 FR 4040 (Jan. 19, 1995) (proposing amendments to Form BD).

Because, at the present time, the Commission does not have the technological capacity to receive electronic transmissions of information from broker-dealers, transfer agents, or investment advisers, this interpretation also does not apply to other requirements to file information with the Commission under the Exchange and Advisers Acts. See, e.g., Exchange Act Rule 9b-1, 17 CFR 240.9b-1 (options markets' obligation to file with the Commission any revisions to an options disclosure document); Advisers Act Form ADV, 17 CFR 279.1 (application for registration of investment advisers).

The Commission, nevertheless, recognizes the desirability of electronic filing and is examining the feasibility of establishing systems capable of receiving information electronically.

Note 9 For example, the notice requirements to the National Association of Securities Dealers, Inc. under Exchange Act Rule 10b-17, also are not within the scope of this interpretation. 17 CFR 240.10b-17.

Note 10 For example, Rule 15a-6 requires U.S. registered broker-dealers, under certain circumstances, to obtain certain foreign persons' consent to service of process. 17 CFR 240.15a-6(a)(3)(iii)(D). The Commission has never taken a position as to the specific means by which the U.S. broker-dealer may meet this obligation, but believes that a consent to service of process may be obtained through the use of a facsimile.

## II. Use of Electronic Media

In the October Interpretive Release, the Commission noted that the electronic distribution of information provides numerous benefits and that the use of this type of medium is growing among all participants in the securities industry. The Commission concluded that issuers, third parties (such as persons making tender offers or soliciting proxies), and persons acting on behalf of such third parties may use electronic media, in accordance with the guidance provided in the October Interpretive Release,

to deliver information. In addition, the Commission believes that broker-dealers, transfer agents, and investment advisers may satisfy their delivery obligations under the Exchange Act and the Advisers Act by using electronic media as an alternative to paper-based media.<sup>11</sup>

Note 11 The exact nature of the broker-dealer's, transfer agent's, and investment adviser's delivery obligations is defined broadly and includes such terms as "give," "furnish," "send," and "deliver." The Commission believes that, in general, these terms are sufficiently broad to accommodate the contemplated electronic transmission of documents by or on behalf of the broker-dealer, transfer agent, or investment adviser and, when called for, from a customer to a broker-dealer, transfer agent, or investment adviser.

But see *infra* notes 12 and 50.

This interpretation is intended to provide broker-dealers, transfer agents, and investment advisers with guidance in using electronic media to satisfy delivery requirements under the federal securities laws. This release generally covers those requirements that obligate broker-dealers to deliver information to customers, obligate transfer agents to deliver information upon written request, and obligate investment advisers to deliver information to their clients or prospective clients. Broker-dealers and investment advisers also may rely on this interpretation in obtaining customers' and clients' consents as required under certain provisions of the Exchange and Advisers Acts and the rules thereunder.<sup>12</sup> A discussion of the information delivery requirements covered by this interpretation is provided in section III of this release ("Covered Delivery Requirements"). Unless the Commission indicates otherwise, this interpretive release also is intended to apply to all rules promulgated under the Exchange and Advisers Acts, including rules promulgated subsequent to the issuance of this release, requiring broker-dealers or investment advisers to deliver information to customers or clients, and to rules requiring transfer agents to deliver information in response to written requests.

Note 12 In connection with transactions in penny stocks, however, the Commission believes that in order to fulfill the purposes of the Securities Enforcement Remedies and Penny Stock Reform Act of 1990, broker-dealers should continue to have customers manually sign and return in paper form any documents that require a customer's signature or written agreement. See *infra* note 50.

#### A. General

This discussion is intended to complement the discussion in the October Interpretive Release and to provide general guidance concerning issues under the Exchange and Advisers Acts. The Commission believes that broker-dealers, transfer agents, and investment advisers should be able to satisfy their obligations under the federal securities laws to deliver information required under the Covered Delivery Requirements by electronic distribution. The framework set forth in the October Interpretive Release is applicable to such electronic distribution.

In the October Interpretive Release, the Commission stated that it would view information distributed through electronic means as satisfying the delivery or transmission requirements of the federal securities laws if such distribution results in the delivery to the intended recipients of substantially equivalent information as such recipients would have if the required information were delivered to them in paper form.<sup>13</sup> The Commission is not specifying the electronic medium or source that broker-dealers, transfer agents, and investment advisers may use.

Note 13 October Interpretive Release, *supra* note 1, at 53460. See also *supra* example 7.

Like paper documents, electronically delivered documents must be prepared and delivered in a manner consistent with the federal securities laws.

Regardless of whether information is delivered in paper form or by electronic means, it should convey all material and required information. If a paper document is required to present information in a certain order, for instance, then the information delivered electronically should be in substantially the same order.<sup>14</sup>

Note 14 For a discussion of how requirements to present information in a certain order may be applied to documents containing hyperlinks, see example 51 in the October Interpretive Release. Id. 53466.

Moreover, regardless of whether information is delivered in paper or electronic form, broker-dealers and investment advisers must reasonably supervise firm personnel with a view to preventing violations.<sup>15</sup> Thus, broker-dealers and investment advisers should consider the need for systems and procedures to deter or detect misconduct by firm personnel in connection with the delivery of information, whether by electronic or paper means.<sup>16</sup>

Note 15 See Exchange Act Sec. 15(b)(4)(E); Advisers Act Sec. 203(e)(5). See also NASD Rules of Fair Practice Sec. 27; NYSE Rule 342.

Note 16 See, e.g., In re: Bryant, Securities Exchange Act Release No. 32357 (May 24, 1993), (Commission upheld a finding of the National Association of Securities Dealers, Inc. that, among other things, the failure to develop procedures to supervise a registered representative, who sent a false confirmation statement on behalf of the broker-dealer, and to enforce existing procedures constituted a failure to supervise on the part of the president of the firm).

The Commission believes that, as a matter of policy, a person who has a right to receive a document under the federal securities laws and chooses to receive it electronically, should be provided with the information in paper form whenever specifically requesting paper.<sup>17</sup>

Note 17 For example if a person revokes consent to receiving information electronically, even following delivery of the information, a paper copy should be delivered upon request. Revocation, however, is not a prerequisite to requesting a paper copy.

The Commission understands that it can be very costly for broker-dealers to maintain records for long periods of time. This is particularly true with respect to information that is specific to a customer's account or to a transaction, such as the type of information defined below as Personal Financial Information. See *infra* section II.B. For this reason, the Commission has limited the time period that broker-dealers must preserve records required to be made under Exchange Act Rules 17a-3. 17 CFR 240.17a-3.

Specifically, Exchange Act Rule 17a-4 requires broker-dealers to preserve records for a period of six years (3 years in the case of certain types of information), the first two years in an easily accessible place. 17 CFR 240.17a-4. For these same reasons, the Commission believes it is reasonable to expect that broker-dealers would provide customers with information in paper form upon request for a period of two years. Transfer agents and investment advisers are subject to similar recordkeeping requirements. 17 CFR 250.17Ad-6 and 240.17Ad-7; 17 CFR 275.204-2.

In the October Interpretive Release, the Commission discussed issues of notice and access that should be considered in determining whether the legal requirements pertaining to delivery or transmission of documents have been satisfied,<sup>18</sup> and stated that persons using electronic delivery of information should have reason to believe that any electronic means so selected will result in the satisfaction of the delivery requirements.<sup>19</sup>

The Commission believes that broker-dealers, transfer agents, and investment advisers should apply the same considerations in using electronic media to satisfy their delivery obligations under the Covered Delivery Requirements.

Note 18 October Interpretive Release, *supra* note 1, at 53460-61.

Note 19 *Id.* at 53461.

#### 1. Notice

Broker-dealers, transfer agents, and investment advisers providing information electronically should consider the extent to which electronic communication provides timely and adequate notice that such information is available electronically.<sup>20</sup> When information is delivered on paper through the postal mail, recipients most likely will be made aware that they have received information that they may wish to review and, therefore, separate notice is not necessary. Information transmitted through electronic media, however, may not always provide a similar likelihood of notice that information has been sent that the recipient may wish to review.<sup>21</sup> Broker-dealers, transfer agents, and investment advisers, therefore, should consider whether it is necessary to supplement the electronic communication with another communication that would provide notice similar to that provided by delivery in paper through the postal mail.

Note 20 See *id.* at 53460. See also *infra* section II.B.2. regarding additional requirements when broker-dealers, transfer agents, and investment advisers send certain types of information (defined as Personal Financial Information) to customers.

Note 21 For example, if information is provided by physically delivered material (such as a computer diskette or CD-ROM) or by electronic mail, that communication itself generally should be sufficient notice. If information is made available electronically through a passive delivery system, such as an Internet Web Site, however, separate notice would be necessary to satisfy the delivery requirements unless the broker-dealer, transfer agent, or investment adviser can otherwise evidence that delivery to the customer or client has been satisfied.

#### 2. Access

The Commission believes that customers, securities holders, and clients who are provided information through electronic delivery from broker-dealers, transfer agents, and investment advisers should have access to that information comparable to that which would be provided if the information were delivered in paper form. Thus, the use of a particular medium should not be so burdensome that intended recipients cannot effectively access the information provided. Also, persons to whom information is sent electronically should have an opportunity to retain the information through the selected medium or have ongoing access equivalent to personal retention.<sup>22</sup>

Note 22 For example, the intended recipient's ability to download or print information delivered electronically would enable a recipient to retain a permanent record. See October Interpretive Release, *supra* note 1, at 53460.

#### 3. Evidence to Show Delivery

Providing information through postal mail provides reasonable assurance that the delivery requirements of the federal securities laws have been satisfied. The Commission believes that broker-dealers, transfer agents, and investment advisers similarly should have reason to believe that electronically delivered information will result in the satisfaction of the delivery requirements under the federal securities laws. Thus, whether

using paper or electronic media, broker-dealers, transfer agents, and investment advisers should consider the need to establish procedures to ensure that applicable delivery obligations are met.

Broker-dealers, transfer agents, and investment advisers may be able to evidence satisfaction of delivery obligations, for example, by: (1) obtaining the intended recipient's informed consent to delivery through a specified electronic medium, and ensuring that the recipient has appropriate notice and access, as discussed above; (2) obtaining evidence that the intended recipient actually received the information, such as by an electronic mail return-receipt or by confirmation that the information was accessed, downloaded, or printed; or (3) disseminating information through certain facsimile methods. In order to ensure that information is delivered as intended, broker-dealers, transfer agents, and investment advisers delivering information using either electronic or paper-media should take reasonable precautions to ensure the integrity and security of that information.<sup>25</sup>

Note 23 See *id.* at 53460. If a consent is used, the consent should be an informed consent. An informed consent should specify the electronic medium or source through which the information will be delivered and the period during which the consent will be effective, and should describe the information that will be delivered using such means. The broker-dealer, transfer agent, or investment adviser also should inform the customer that there may be potential costs associated with electronic delivery, such as on-line charges.

Except where a manual signature is required under the penny stock rules, see *infra* note 50, broker-dealers may obtain consents either manually or electronically. In most cases in which a request for information is made through an electronic medium, consent to receive the requested information by means of electronic delivery may be presumed.

In addition, if the broker-dealer, transfer agent, or investment adviser is relying on the consent to ensure effective delivery and the intended recipient revokes the consent, future documents should be delivered in paper.

Note 24 For example, depending on the circumstances and the procedures used, customers' and clients' written consent or acknowledgement, as required under certain Exchange and Advisers Acts rules and discussed *infra* notes 28- 29 and accompanying text, may serve as sufficient evidence to show delivery.

Note 25 October Interpretive Release, *supra* note 1, at 53460, n.22.

## B. Personal Financial Information

Certain information that broker-dealers, transfer agents, and investment advisers deliver is specific to a particular person's personal financial matters ("Personal Financial Information"). For example, the information reported to customers under Exchange Act Rule 10b-10 relates to specific securities transactions and includes the identity and number of shares bought or sold and the net dollar price for the shares. Under Exchange Act Rule 10b-16, a broker-dealer that imposes finance charges on a customer's account during a quarterly period must deliver a quarterly statement disclosing, among other things, the account's beginning and closing balances, debits and credits entered during the period, the interest charged, and the rate or rates of interest. Similarly, under Advisers Act Rule 206(3)-2, investment advisers engaging in agency cross transactions involving clients are required to send the clients disclosure about those transactions.<sup>26</sup>

Note 26 17 CFR 275.206(3)-2(a)(2) (written confirmation of each transaction "at or before the completion of each such transaction"); 17 CFR 275.206(3)- 2(a)(3) (annual written disclosure statement identifying transactions). In addition, investment advisers having custody of client

assets are required to send an itemized statement to each client at least quarterly showing assets in custody of the adviser. 17 CFR 275.206(4)-2(a)(4).

## 1. Confidentiality and Security

Broker-dealers, transfer agents, and investment advisers sending Personal Financial Information should take reasonable precautions to ensure the integrity, confidentiality, and security of that information, regardless of whether it is delivered through electronic means or in paper form. The Commission believes that broker-dealers, transfer agents, and investment advisers transmitting Personal Financial Information electronically must tailor those precautions to the medium used in order to ensure that the information is reasonably secure from tampering or alteration.

## 2. Consent

Because of the need to maintain the confidentiality and security of Personal Financial Information, it is important that the intended recipient is willing to accept the delivery of such information through electronic media and has actual notice that the Personal Financial Information will be delivered electronically. Therefore, in order to ensure that Personal Financial Information can be delivered in a manner that maintains the information's confidentiality, unless a broker-dealer, transfer agent, or investment adviser is responding to a request for information that is made through electronic media or the person making the request specifies delivery through a particular electronic medium, the broker-dealer, transfer agent, or investment adviser should obtain the intended recipient's informed consent prior to delivering Personal Financial Information electronically.<sup>27</sup> This consent will ensure that the intended recipient is willing to accept the delivery of Personal Financial Information through electronic media and has actual notice that the Personal Financial Information will be delivered electronically. The Commission believes that such consent by the customer or client to the delivery of Personal Financial Information may be made either by a manual signature or by electronic means.

Note 27 See discussion supra note 23 regarding informed consent.

## C. Communications From Broker-Dealers' Customers and Investment Advisers' Clients

In addition to requirements to deliver information, the Exchange Act and the Advisers Act provide for broker-dealers and investment advisers to "receive" or "obtain" responses from their customers or clients. For example, Exchange Act Rules 8c-1 and 15c2-1 require, under certain circumstances, broker-dealers to obtain a customer's written consent in order to hypothecate securities. Similarly, under the Advisers Act, certain provisions call for clients to consent to a transaction or acknowledge receipt of certain disclosures.<sup>28</sup> The Commission generally views an electronic communication from a customer to a broker-dealer or from a client to an investment adviser as satisfying the requirements for such written consent or acknowledgement.<sup>29</sup>

Note 28 See, e.g. Advisers Act Secs. 205(a)(2) and 206(3); 17 CFR 275.206(3)-2(a)(1); 17 CFR 275.206(4)-3(a)(2)(iii).

Note 29 Of course, broker-dealers and investment advisers should be cognizant of their responsibilities to prevent, and the potential liability associated with, unauthorized transactions. See, e.g., supra note 16. In this regard, the Commission believes that broker-dealers and investment advisers should have reasonable assurance that the response received from a customer or client is authentic.

In addition, for policy reason discussed infra note 50, the Commission will continue to require broker-dealers to obtain the manual signature of customers on certain disclosure documents required under Exchange Act Rules 15c-2 and 15c-9.

#### D. Electronic Transmission of Non-Required Disclosure

The guidance provided above is intended to permit broker-dealers, transfer agents, and investment advisers to comply with their delivery obligations under the federal securities laws when using electronic media. This interpretation does not apply to the electronic delivery of non-required information that in some cases is being provided voluntarily to customers, securities holders, and clients<sup>30</sup> in that it is not necessary (although it is, of course, permitted) to conform the electronic delivery of such information to the guidance in this release. Nevertheless, the Commission urges broker-dealers, transfer agents, and investment advisers to take into consideration the need to implement security measures when using electronic media to provide personal financial information.

Note 30 See, e.g., Kimberly Weisul, Calvert Becomes First Fund to Offer Info On-Line; Mutual Fund Company Dodges the Security Issue, Investment Dealers' Digest, Jan. 22, 1996, at 9; Jon Birger, Prudential Web Site to Let Clients Track Their Accounts Daily, Bond Buyer, Oct. 18, 1995, at 10.

The staff also has received inquiries about the permissibility of using various electronic media to disseminate advertisements for an investment adviser's services or other information that is not subject to a delivery requirement. Such communications are permissible, subject to the same requirements and restrictions that apply to such communications in paper. For example, electronically disseminated advertisements are subject to the same prohibitions against misleading disclosure as advertisements in paper.<sup>31</sup> Materials concerning an adviser that are potentially available to ten or more persons through an electronic system would be considered subject to the recordkeeping requirements applicable to such communications.<sup>32</sup> Similarly, if an adviser uses a publicly available electronic medium such as a World Wide Web site to provide information about its services, the adviser would not qualify for the exemption from registration in section 203(b)(3) of the Advisers Act. That exemption is available only if, among other things, an adviser does not hold itself out generally to the public as an investment adviser.

Note 31 See 17 CFR 275.206(4)-1. Broker-dealers' advertisements and sales literature are subject to NASD rules, which have recently been amended specifically to include electronic communications. NASD, Notice to Members 95-74 (Sept. 1995); NASD, Notice to Members 95-80 (Sept. 26, 1995).

Note 32 17 CFR 275.204-2(a)(11). Broker-dealers also are subject to recordkeeping requirements that would be applicable to all electronic communications received and sent by the firm relating to its business. 17 CFR 17a-4(a)(4).

#### III. Covered Delivery Requirements

For clarity, below is a list of current rules under the Exchange Act and requirements under the Advisers Act to which broker-dealers, transfer agents, and investment advisers may apply the guidance provided in this interpretation. The Commission believes that the list sets forth all of the rules that require or permit communications between broker-dealers, transfer agents, investment advisers and customers, securities holders, and clients under the Exchange and Advisers Acts.<sup>33</sup> The interpretation in this release is intended to cover all optional and required communications under



the Exchange and Advisers Acts between broker-dealers, transfer agents, and investment advisers, and customers, securities holders, and clients.<sup>34</sup>

Note 33 The summary provided of the delivery obligations under the Covered Delivery Requirements is intended for ease of reference only. It is not intended to be a statement of all the requirements under the rules and provisions listed, and has no legal force or effect. Reference should be made to the full text of the rules, which is published in the Code of Federal Regulations, as well as to relevant releases, interpretations, and no-action letters, and to the full text of the Exchange and Advisers Acts, 15 U.S.C.

Secs. 77 and 78, et seq.

Note 34 But see supra notes 4-10 and accompanying text. See also infra notes 35 and 50.

#### A. Exchange Act

Subject to the guidelines in this release, broker-dealers and transfer agents may fulfill their requirements to deliver information to customers and securities holders under the following Exchange Act rules: 35

Note 35 This release does not address the prospectus delivery requirements under Exchange Act Rule 15c2-8. 17 CFR 240.15c2-8. Broker-dealer requirements to deliver a preliminary prospectus in connection with the issuance of securities by an issuer that has not previously been required to file reports pursuant to Exchange Act Section 13(a), 15 U.S.C. 78m(a), or 15(d), 15 U.S.C.

78o(d), were addressed in the October Interpretive Release. See October Interpretive Release, supra note 1, at 53462, n. 31.

\*\* Rule 8c-1, which requires broker-dealers to obtain customers' written consent in order to hypothecate securities under circumstances that would permit the commingling of customers' securities and to give written notice to a pledgee that, among other things, a security pledged is carried for the account of a customer.<sup>36</sup>

Note 36 17 CFR 240.8c-1(a)(1) and (f).

\*\* Rule 9b-1, which, among other things, requires a broker-dealer to furnish to each customer, and keep current, an options disclosure document, prior to accepting an order to purchase or sell an option on behalf of that customer.<sup>37</sup>

Note 37 17 CFR 240.9b-1(d).

\*\* Rule 10b-10, which requires a broker-dealer to give or send confirmation information to customers.<sup>38</sup> In addition, broker-dealers must furnish to customers upon written request information such as the factors that affect the yield calculation related to asset-based securities.<sup>39</sup>

Note 38 17 CFR 240.10b-10. This release, therefore, resolves the issues in the October Interpretive Release with respect to Exchange Act Rule 10b-10, which requires broker-dealers to send confirmations at or before completion of the transaction by permitting electronic delivery of the confirmation. 17 CFR 240.10b-10. See October Interpretive Release, supra note 1, at 53459, n.12.

In a release adopting certain amendments to Rule 10b-10, the Commission recognized the use of a facsimile machine to send customer confirmation statements. At that time, however, the Commission believed that the use of other electronic means to send confirmations should be viewed on a case-by-case basis. See Exchange Act Release No. 34962 (Nov. 10, 1994); 59 FR 59612 (Nov. 17, 1994). This interpretation supersedes the view expressed in the 1994 release.

Broker-dealers are reminded that, when a prospectus is required to be

delivered, it should be delivered prior to, or concurrent with, delivery of the confirmation. Thus, if a confirmation is sent by facsimile, the prospectus also should be sent by facsimile or equally prompt means.

Note 39 17 CFR 240.10b-10(a)(7).

\*\* Rule 10b-16, which requires both initial and periodic written disclosure of the credit terms of margin loans.<sup>40</sup>

Note 40 17 CFR 240.10b-16.

\*\* Rule 11Ac1-3, which requires a broker-dealer to deliver to each customer, upon opening a new account and on an annual basis thereafter, an account statement disclosing the broker-dealer's policies relating to payment for order flow and its order routing policies.<sup>41</sup>

Note 41 17 CFR 240.11Ac1-3.

\*\* Rule 15c1-5, which requires, under specified circumstances, written disclosure of control if a broker-dealer or municipal securities dealer is controlled by, controlling, or under common control with the issuer of a security.<sup>42</sup>

Note 42 17 CFR 240.15c1-5.

\*\* Rule 15c1-6, which requires a broker-dealer or municipal securities dealer receiving advisory fees to disclose any participation or financial interest in the distribution of a security at or before the completion of a transaction in such security for the account of a customer.<sup>43</sup>

Note 43 17 CFR 240.15c1-6.

\*\* Rule 15c2-1, which requires broker-dealers to obtain customers' written consent in order to hypothecate securities under circumstances that would permit the commingling of customers' securities.<sup>44</sup>

Note 44 17 CFR 240.15c2-1(a)(1).

\*\* Rule 15c2-5, which requires a written statement making disclosures prior to effecting transactions in special insurance premium funding accounts that would involve an extension or arrangement of credit, as well as retaining for its files, a written statement setting forth the basis for making a determination that the arrangement is suitable for the customer.<sup>45</sup>

Note 45 17 CFR 240.15c2-5.

\*\* Rule 15c2-11, with regard to the requirement that broker-dealers make certain information enumerated in the rule reasonably available upon request.<sup>46</sup>

Note 46 17 CFR 240.15c2-11(a)(4) and (a)(5).

\*\* Rule 15c2-12, with regard to the requirements that municipal securities underwriters provide, upon request, a preliminary official statement (if one exists) and a final official statement.<sup>47</sup>

Note 47 17 CFR 240.15c2-12.

\*\* Rule 15c3-2, which requires a broker-dealer to give or send to its customers a written notification of a free credit balance, that the broker-dealer may use that free credit balance in its business operations, and that the funds are payable upon demand of the customer.<sup>48</sup>

Note 48 17 CFR 240.15c3-2.

\*\* Rule 15c3-3, which requires that broker-dealers obtain repurchase agreements in writing and confirm in writing the specific securities that are the subject of hold in custody repurchase agreements.<sup>49</sup>

Note 49 17 CFR 240.15c3-3(b)(4).

\*\* Rules 15g-3 through 15g-8, which require a broker-dealer, among other things, to disclose to its customers, both prior to effecting a transaction in a penny stock and on the written confirmation, bid and ask quotations and broker-dealer and associated person compensation.<sup>50</sup>

Note 50 17 CFR 240.15g-3 through 15g-8.

The Commission believes that the requirements under Exchange Act Rules 15g-2 and 15g-9, which require broker-dealers to obtain from a customer prior to effecting transactions in penny stocks (1) a manually signed acknowledgement of the receipt of a risk disclosure document, (2) a written agreement to transactions involving penny stocks, and (3) a manually signed and dated copy of a written suitability statement, should not be met by means of electronic media. In adopting these provisions pursuant to the Securities Enforcement Remedies and Penny Stock Reform Act of 1990, the Commission intended to provide customers with an opportunity to make an informed, deliberate decision without the high pressure sales practices that sometimes are characteristic of transactions in these securities. For similar reasons, a facsimile copy of a customer's signature has not been sufficient to satisfy the requirements under Rules 15g-2 and 15g-9 that certain documents be manually signed and dated. See Exchange Act Release No. 32576 (July 2, 1993); NASD Notice to Members 90-65 (Oct. 1990); NASD Notice to Members 90-18 (Mar. 1990).

While broker-dealers may not meet the signature requirement under Rule 15g-9 by electronic means, the Commission believes that, consistent with the guidance set forth in this interpretation, they may meet their delivery obligations to their customers under this rule by electronic means. The "risk disclosure document" that broker-dealers are required to furnish to their customers under Rule 15g-2 is subject to strict formatting and typefacing restrictions. In order to comply with the requirements set forth in the instructions to Schedule 15G, a risk disclosure document delivered electronically, when printed, would have to result in a document that meets the requirements and contains the exact text of Schedule 15G.

When the Commission next reviews the penny stock rules, it may be willing to consider a "cooling-off" period as an alternative to the requirement of a manual signature under Rules 15g-2 and 15g-9. The Commission requests comment on this approach.

\*\* Rule 17a-5, which requires a broker-dealer to send to its customers audited and unaudited financial statements.<sup>51/</sup>

Note /51/ 17 CFR 240.17a-5(c).

\*\* Rule 17Ad-5, which requires a transfer agent to respond within certain time frames to written requests for the status of items presented for transfer, for acknowledgement of transfer instructions, for confirmation of a transfer agent's possession of a certificate, for a transcript of a person's account, or for dividend and interest payments.<sup>52/</sup>

Note /52/ 17 CFR 17Ad-5. Under certain circumstances, transfer agents currently are permitted to respond to requests by telephone.

#### B. Advisers Act

\*\* Section 205(a)(2) of the Advisers Act, which requires an investment adviser to obtain its client's consent to the assignment of an advisory

contract./53/

Note /53/ 15 U.S.C. 80b-5(a)(2).

\*\* Section 205(a)(3) of the Advisers Act, which requires an investment adviser to notify its clients, if the adviser is organized as a partnership and there is a change in members of partnership./54/

Note /54/ 15 U.S.C. 80b-5(a)(3).

\*\* Section 206(3) of the Advisers Act, which prohibits certain principal and agency transactions with a client without prior written disclosure about the transaction and consent of the client./55/

Note /55/ 15 U.S.C. 80b-6(3).

\*\* Rule 204-3, which requires investment advisers to deliver a written disclosure statement, or "brochure," to clients at least 48 hours before entering into an advisory contract, unless the client has the right to terminate the contract without penalty within five business days./56/ In addition, investment advisers are required, except in certain cases, to make available "without charge" updates to its brochure./57/

Note /56/ 17 CFR 275.204-3(b). To the extent an adviser relies on 48-hour advance delivery rather than the five-day cancellation period, the 48-hour period would be measured from the time at which notice is given to the client that the statement is available through a specified electronic medium or source. Investment advisers should have reason to believe that the nature of the system or any limitations on the client's access to that system will not result in any material delay in the client's access to the information following receipt of the notice.

Note /57/ 17 CFR 275.204-3(c). If a client has elected to receive the disclosure statement electronically, and neither the adviser nor any system used by the adviser to disseminate updates electronically imposes a charge upon the client specifically for the receipt of this information, the Commission would consider this requirement satisfied, even though a system selected by a client to gain access to the adviser's system may impose charges for access, printing or downloading. Alternatively, the Commission would consider the requirement satisfied so long as a paper version of the update is available without charge, notwithstanding any charges that may be imposed upon a client for access, printing or downloading by the system used by an adviser to disseminate updates electronically.

\*\* Rule 205-3(d), which requires disclosure regarding advisory arrangements involving performance fees./58/

Note /58/ 17 CFR 275.205-3(d).

\*\* Rule 206(3)-2, which permits agency cross transactions, provided that the investment adviser provides general written disclosure about its role in the transactions, receives from clients consent to agency cross transactions, and sends both written confirmation of each transaction and an annual written disclosure statement./59/

Note /59/ 17 CFR 275.206(3)-2.

\*\* Rule 206(4)-2, which requires certain disclosure relating to adviser custody of client assets./60/

Note /60/ 17 CFR 275.206(4)-2.

\*\* Rule 206(4)-3, which requires certain disclosures to be made by solicitors who receive cash solicitation fees from advisers and a signed and dated acknowledgement from clients of the receipt of the investment advisers and solicitors written disclosure statements./61/

Note /61/ 17 CFR 275.206(4)-3. Cf. Investment Company Act Release No. 21260 at n. 38 (July 27, 1995), 60 FR 39574 (contemplating that notification required under proposed Investment Company Act Rule 3a-4 could be provided electronically by investment advisers and other sponsors of investment advisory programs).

#### IV. Additional Securities Act, Exchange Act, and Investment Company Act Examples

The October Interpretive Release included a series of examples illustrating the general concepts set forth earlier in that release in order to provide guidance in applying those concepts to specific facts and circumstances. The Commission is publishing here the following, additional examples to provide further guidance and illustration. These examples are based on questions that have been raised with the staff by industry representatives since the publication of the October Interpretive Release. Any party (whether or not a registered investment company) may look to these examples for guidance.

(1) Company XYZ places a prospectus for any securities offering on its electronic mail system. Company XYZ also uses its electronic mail system to disseminate documents required under the Exchange Act. Employees use the company's electronic mail in the ordinary course of performing their duties as employees and ordinarily are expected to log-on to electronic mail routinely to receive mail and communications. Those employees who do not log-on have alternative means of receiving electronic mail messages, such as having them sent to secretaries or co-workers who then deliver them to the employee. The electronic mail either includes the actual document or announces the availability of the document and provides information as to how to access the document through the local area network. The electronic mail also prominently states that a paper version of the document is available upon request.

This would satisfy delivery obligations with respect to employees who use the company's electronic mail system in the course of performing their duties or who are expected to have alternative means made available to receive electronic mail messages.

(2) Company XYZ places a notice announcing its unregistered Dividend Reinvestment Plan /62/ on its Internet Web site under a menu heading "Dividend Reinvestment Plan." The announcement also contains the phone number of the Company's agent (which is independent from the Company) from whom additional information regarding the operation of the Dividend Reinvestment Plan can be obtained. Additionally, the Company's Internet Web site contains a hypertext link to the independent agent's Internet Web site where a brochure describing the operation of the Dividend Reinvestment Plan and an enrollment card can be obtained.

Note /62/ A company need not register its dividend reinvestment plan under the Securities Act where its involvement in the plan is limited to administrative or ministerial functions. For additional information, including a listing of permitted functions, see Securities Act Release No. 4790 (July 13, 1965), 30 FR 9059 (July 20, 1965); Securities Act Release No.

5515 (July 22, 1974), 39 FR 28520 (August 8, 1974); Securities Act Release No. 6188 (February 1, 1980), 45 FR 8960 (February 11, 1980).

This would be permissible, so long as the information on the Company's Internet Web site is limited to the announcement of the unregistered Dividend Reinvestment Plan and the name and address of the independent agent from whom additional information can be obtained. (This would be analogous to the communications that an issuer of an unregistered plan could make in paper format.) As with communications in paper format, the

Company may not use its Internet Web site to advertise the Dividend Reinvestment Plan or its benefits. Further, the use of a hypertext link to the home page of the independent agent would be permitted; however, the Company could not provide a hypertext link directly to the Dividend Reinvestment Plan materials.

(3) Brokerage firm ABC, a recordholder of Company XYZ's common stock, received consents from beneficial holders of Company XYZ's common stock for electronic delivery of Company XYZ's annual report and proxy materials and for electronic processing of voting instructions. These customers are provided with the Internet Web site address where Company XYZ's annual report and proxy materials are located and the Internet Web site address where they can provide their voting instructions electronically to the brokerage firm.

The electronic processing of voting instructions from beneficial holders and the electronic voting of proxies would be consistent with the proxy rules. Issuers and others are reminded to consider any applicable state laws or self-regulatory organization rules.

(4) A fund makes supplemental sales literature and its prospectus available through a commercial on-line service. Under section 5(b) of the Securities Act, sales literature, whether in paper or electronic form is required to be preceded or accompanied by a final prospectus meeting the requirements of section 10(a) of the Securities Act. By contrast, an advertisement satisfying the requirements of Securities Act Rule 134 or 482 need not be preceded or accompanied by a prospectus. Users could click on a box in the supplemental sales literature to have the prospectus downloaded or to request that a prospectus be mailed. While the system permits the sales literature to be viewed on-line, it does not allow users to view the prospectus. Unlike the system in example 36 in the October Interpretive Release, this system would not require that a user have downloaded or printed the prospectus before viewing the supplemental sales literature. Users accessing the supplemental sales literature would give specific consent to electronic delivery of the prospectus.

This would not satisfy the prospectus delivery requirement because there would not be sufficient access to the prospectus. Because the system does not give users the opportunity to view the prospectus, it would lack the sort of reasonably comparable access to the prospectus and the sales literature present in examples 14, 15, and 35 in the October Interpretive Release. The opportunity to request that a prospectus be mailed or downloaded would not, under current technology, be considered to give investors sufficient access to the prospectus. Instead, it would be analogous to giving investors sales literature in paper with a toll-free telephone number for requesting the prospectus: under those circumstances the prospectus would be received later and would not be considered to have preceded or accompanied the sales literature./63/

Note /63/ As technology develops, some users may have the capacity to download and view a prospectus in no more time than it takes to jump via hyperlink from the sales literature to the prospectus. Under those circumstances, the capacity to download would be considered to give those users reasonably comparable access to the prospectus that would provide sufficient access.

(5) A fund places its prospectus on its site on the World Wide Web or some other electronic system. Shareholders provide a written, revocable consent to receive prospectuses electronically through the system. The consent informs shareholders that the current version of each prospectus will be available continuously on the system and that the fund will use the quarterly account statement or quarterly newsletter as the means of notification of prospectus amendments. It also states that another means of notification may be used, but only after shareholders have been notified of the change by the then current means of notification./64/ The fund replaces

its prospectus with an annual amendment updating the fund's financial information and making other changes./65/ The fund has provided notification that the prospectus will be updated by including notification in the preceding account statement or shareholder newsletter; the notification provides the approximate date on which the amendment will be available. A subsequent amendment to the fund's prospectus reflects the addition of a redemption fee. Notification of the prospectus amendment has been included in the preceding statement or newsletter./66/

Note /64/ A change in means of notification under such circumstances would also be effective in the case of notification of the availability of shareholder reports discussed in example 46 in the October Interpretive Release. October Interpretive Release, supra note 1.

Note /65/ Under section 10(a)(3) of the Securities Act, a fund that continuously offers its shares would have to amend its prospectus no less frequently than every 16 months in order to include updated financial statements.

Note /66/ With unscheduled material prospectus amendments for which such advance notice would not be feasible, the fund would need to use other forms of notification such as a postcard or e-mail message. See October Interpretive Release, supra note 1, example 43.

Just as the use of a newsletter or statement in example 46 in the October Interpretive Release constituted sufficient notice for effective delivery of the semi-annual reports required under the Investment Company Act of 1940, the use of a newsletter or statement here would constitute sufficient notice for effective delivery with respect to the scheduled prospectus update.

(6) A fund's on-line **prospectus** has the same text as the paper version, but the text appears in a different format. For example, text that appears as a block in the margin of a page in the paper **prospectus** appears in a box in the flow of the text in the **electronic version**. The fund does not make a separate filing under Securities Act Rule 497 with respect to the **electronic version**.

The mere difference in format without any difference in text would not qualify the **electronic version** as a different "form of **prospectus**" for which filing is required.

(7) An investment company produces both an **electronic version** (such as a CD-ROM) and a paper version of its **prospectus**. Each version contains all information required by, and otherwise complies with, the applicable form and all other applicable provisions of the federal securities laws. The **electronic version** contains a movie that does not appear in the paper version. Each version of the **prospectus** indicates that there may be other versions of the **prospectus** and, if the issuer determines to make such other versions available, provides information on how to obtain such other versions./67/ The paper version does not include a summary or transcript of the movie in the **electronic version**. Both versions of the **prospectus** are filed with the Commission as part of the company's registration statement, or separately pursuant to Rule 497./68/

Note /67/ The facts of this example should not be read as imposing any obligation on the issuer to make such other versions of its prospectus available to any person.

Note /68/ Alternatively, the company may file with the Commission as an appendix to the prospectus the script of the movie and a fair and accurate narrative description of the graphic or image material. See October Interpretive Release, supra note 1, example 13.

The use of either version of the prospectus to satisfy delivery

requirements would be permissible./69/The issuer (or other party to whom the law assigns the responsibility) remains responsible for ensuring that each version satisfies applicable statutory requirements./70/

Note /69/ Of course, the general principles concerning electronic delivery, as described in the October Interpretive Release, supra note 1, would apply.

Note /70/ See id. at 53460.

#### V. Solicitation of Comments

Any interested person wishing to submit written comments relating to the views expressed in this release are invited to do so by submitting them in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 6-9, Washington, D.C. 20549.

Comments also may be submitted electronically at the following electronic mail address: rule-comments@sec.gov. All comment letters should refer to File Number S7-13-96. This file number should be included on the subject line if comments are submitted using electronic mail. Comment is requested not only on the specific issues discussed in detail in the release, but on any other issues that should be considered in connection with facilitating the use of electronic media by broker-dealers, transfer agents, and investment advisers.

Comment is sought from both the point of view of the sender and the intended recipient. The Commission further requests comment on any competitive burdens that may result from this interpretation. Comments must be received on or before July 1, 1996. Comments received will be available for public inspection and copying in the Commission's public reading room, 450 Fifth Street, N.W., Washington, D.C. 20549. Electronically submitted comment letters will be posted on the Commission's Internet web site (<http://www.sec.gov>).

#### List of Subjects

17 CFR Parts 231 and 241

Securities.

17 CFR Parts 271 and 276

Investment companies, Securities.

#### Amendment to the Code of Federal Regulations

The Commission is amending Title 17, Chapter II of the Code of Federal Regulations in the manner set forth below:

##### PART 231--INTERPRETATIVE RELEASES RELATING TO THE SECURITIES ACT OF 1933 AND GENERAL RULES AND REGULATIONS THEREUNDER

Part 231 is amended by adding Release No. 33-7288 and the release date of May 9, 1996 to the list of interpretive releases.

##### PART 241--INTERPRETATIVE RELEASES RELATING TO THE SECURITIES EXCHANGE ACT OF 1934 AND GENERAL RULES AND REGULATIONS THEREUNDER

Part 241 is amended by adding Release No. 34-37182 and the release date of May 9, 1996 to the list of interpretive releases.

##### PART 271--INTERPRETATIVE RELEASES RELATING TO THE INVESTMENT COMPANY ACT



OF 1940 AND GENERAL RULES AND REGULATIONS THEREUNDER

Part 271 is amended by adding Release No. IC-21945 and the release date of May 9, 1996 to the list of interpretive releases.

PART 276--INTERPRETATIVE RELEASES RELATING TO THE INVESTMENT ADVISERS ACT OF 1940 AND GENERAL RULES AND REGULATIONS THEREUNDER

Part 276 is amended by adding Release No. IA-1562 and the release date of May 9, 1996 to the list of interpretive releases.

By the Commission.

Dated: May 9, 1996.

Margaret H. McFarland,  
Deputy Secretary.

(FR Doc. 96-12176 Filed 5-14-96; 8:45 am)

BILLING CODE 8010-01-P

LEGAL PUBLICATIONS:

Pub. Law 73-22 SEC. 5 10 -- Securities Act of 1933  
Pub. Law 94-29 SEC. 13 -- Securities Acts Amendments of 1975  
Pub. Law 73-291 SEC. 15 13 -- Securities Exchange Act of 1934  
Pub. Law 101-429 -- Securities Enforcement Remedies and Penny Stock Reform Act of 1990; Penny Stock Reform Act of 1990  
Pub. Law 99-571 SEC. 101 -- Government Securities Act of 1986  
Pub. Law 75-719 SEC. 1 -- Securities Exchange Act of 1934, Amendment (6/25/38)  
Pub. Law 76-768 SEC. 206 203 205 -- Investment Company Act of 1940; Investment Advisors Act of 1940

3/9/8 (Item 6 from file: 148)  
DIALOG(R)File 148:Trade & Industry Database  
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06468601 SUPPLIER NUMBER: 13839962 (THIS IS THE FULL TEXT)  
Products & services you will see. (data base industry)  
Link-Up, v10, n3, p30(2)  
May-June, 1993  
ISSN: 0739-988X LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT  
WORD COUNT: 1498 LINE COUNT: 00127

TEXT:

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